

JAN 25 2017

A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
HONOKAA LAND COMPANY, LLC.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds and declares that the
2 issuance of special purpose revenue bonds under this Act is in
3 the public interest and for the public health, safety, and
4 general welfare.

5 SECTION 2. Pursuant to part X, chapter 39A, Hawaii Revised
6 Statutes, the department of budget and finance, with the
7 approval of the governor, is authorized to issue special purpose
8 revenue bonds in a total amount not to exceed \$50,000,000, in
9 one or more series, for the purpose of assisting Honokaa Land
10 Company, LLC, a domestic limited liability corporation, with
11 acquiring, developing, and renovating various facilities. The
12 work will include rebuilding structures at the Haina Mill site
13 for soils development, equipment, greenhouse facilities, and
14 other infrastructure development, and the conversion of the Hawi
15 site to organic production; development of cover crops including
16 alfalfa, pigeon pea, and other livestock feed; significant



1 upgrades to existing structures; and construction of
2 pasteurization facilities, a creamery/cheesery, and the
3 requisite equipment. The funds will also be used to aid the
4 Honokaa Land Company, LLC, in converting to renewable energy
5 such as solar and wind energy. The legislature hereby finds and
6 determines that the agricultural development and facilities
7 renovations constitute a project as defined in part X, chapter
8 39A, Hawaii Revised Statutes, and the financing thereof is
9 assistance to an agricultural enterprise.

10 SECTION 3. The special purpose revenue bonds and the
11 refunding special purpose revenue bonds issued under this Act
12 shall be issued pursuant to part X, chapter 39A, Hawaii Revised
13 Statutes, relating to the power to issue special purpose revenue
14 bonds to assist agricultural enterprises.

15 SECTION 4. The department of budget and finance is
16 authorized, from time to time, including times subsequent to
17 June 30, 2022, to issue special purpose revenue bonds in
18 whatever principal amounts the department shall determine to be
19 necessary to refund the special purpose revenue bonds authorized
20 in section 2 and to refund special purpose revenue bonds
21 authorized in this section, regardless of whether the



1 outstanding special purpose revenue bonds or refunding special
2 purpose revenue bonds have matured or are the subject of
3 redemption or whether the refunding special purpose revenue
4 bonds shall be bonds for the multi-project programs described in
5 section 2. In making this determination, the department shall
6 comply with federal law relating to the exemption from federal
7 income taxation of the interest on bonds of the nature
8 authorized by this section.

9 SECTION 5. The authorization to issue special purpose
10 revenue bonds under this Act shall lapse on June 30, 2022.

11 SECTION 6. This Act shall take effect on July 1, 2017.

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INTRODUCED BY: Marianne R. Anouye

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S.B. NO. 1255

Report Title:

Special Purpose Revenue Bonds; Honokaa Land Company

Description:

Authorizes the issuance of special purpose revenue bonds to provide financing to assist the Honokaa Land Company, LLC, with acquiring, developing, and renovating agricultural facilities and structures.

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