

JAN 21 2022

A BILL FOR AN ACT

RELATING TO SPECIAL PURPOSE REVENUE BONDS.

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

1 SECTION 1. The legislature finds that the issuance of
2 special purpose revenue bonds provides investors in private
3 capital improvement projects with tax exemptions when those
4 projects are in the public interest. However, the term "public
5 interest" is ill-defined, leading to situations where these
6 valuable tax exemptions, which decrease the State's tax base,
7 are given to projects that are primarily or purely in the
8 interest of private entities without clear public benefit. The
9 legislature further finds that the creation of jobs alone does
10 not sufficiently satisfy the public interest requirement of
11 special purpose revenue bonds, especially when those jobs may
12 not provide a living wage in Hawaii.

13 Accordingly, the purpose of this Act is to define the term
14 "public interest" with regard to the issuance of special purpose
15 revenue bonds to make it clear that the benefit provided to
16 society as a whole must extend beyond the mere creation of jobs.



1 SECTION 2. Section 39A-31, Hawaii Revised Statutes, is
2 amended by adding a new definition to be appropriately inserted
3 and to read as follows:

4 ""Public interest" means that which is beneficial to
5 society as a whole, including but not limited to projects that
6 benefit the health, safety, and general welfare of the people of
7 the State or its political subdivisions; provided that these
8 benefits extend beyond the mere creation of jobs."

9 SECTION 3. Section 39A-71, Hawaii Revised Statutes, is
10 amended by adding a new definition to be appropriately inserted
11 and to read as follows:

12 ""Public interest" means that which is beneficial to
13 society as a whole, including but not limited to projects that
14 benefit the health, safety, and general welfare of the people of
15 the State or its political subdivisions; provided that these
16 benefits extend beyond the mere creation of jobs."

17 SECTION 4. Section 39A-111, Hawaii Revised Statutes, is
18 amended by adding a new definition to be appropriately inserted
19 and to read as follows:

20 ""Public interest" means that which is beneficial to
21 society as a whole, including but not limited to projects that



1 benefit the health, safety, and general welfare of the people of
2 the State or its political subdivisions; provided that these
3 benefits extend beyond the mere creation of jobs."

4 SECTION 5. Section 39A-151, Hawaii Revised Statutes, is
5 amended by adding a new definition to be appropriately inserted
6 and to read as follows:

7 "Public interest" means that which is beneficial to
8 society as a whole, including but not limited to projects that
9 benefit the health, safety, and general welfare of the people of
10 the State or its political subdivisions; provided that these
11 benefits extend beyond the mere creation of jobs."

12 SECTION 6. Section 39A-191, Hawaii Revised Statutes, is
13 amended by adding a new definition to be appropriately inserted
14 and to read as follows:

15 "Public interest" means that which is beneficial to
16 society as a whole, including but not limited to projects that
17 benefit the health, safety, and general welfare of the people of
18 the State or its political subdivisions; provided that these
19 benefits extend beyond the mere creation of jobs."



1 SECTION 7. Section 39A-221, Hawaii Revised Statutes, is
2 amended by adding a new definition to be appropriately inserted
3 and to read as follows:

4 ""Public interest" means that which is beneficial to
5 society as a whole, including but not limited to projects that
6 benefit the health, safety, and general welfare of the people of
7 the State or its political subdivisions; provided that these
8 benefits extend beyond the mere creation of jobs."

9 SECTION 8. Section 39A-251, Hawaii Revised Statutes, is
10 amended by adding a new definition to be appropriately inserted
11 and to read as follows:

12 ""Public interest" means that which is beneficial to
13 society as a whole, including but not limited to projects that
14 benefit the health, safety, and general welfare of the people of
15 the State or its political subdivisions; provided that these
16 benefits extend beyond the mere creation of jobs."

17 SECTION 9. Section 39A-281, Hawaii Revised Statutes, is
18 amended by adding a new definition to be appropriately inserted
19 and to read as follows:

20 ""Public interest" means that which is beneficial to
21 society as a whole, including but not limited to projects that



1 benefit the health, safety, and general welfare of the people of
2 the State or its political subdivisions; provided that these
3 benefits extend beyond the mere creation of jobs."

4 SECTION 10. Section 39A-311, Hawaii Revised Statutes, is
5 amended by adding a new definition to be appropriately inserted
6 and to read as follows:

7 "Public interest" means that which is beneficial to
8 society as a whole, including but not limited to projects that
9 benefit the health, safety, and general welfare of the people of
10 the State or its political subdivisions; provided that these
11 benefits extend beyond the mere creation of jobs."

12 SECTION 11. Section 39A-341, Hawaii Revised Statutes, is
13 amended by adding a new definition to be appropriately inserted
14 and to read as follows:

15 "Public interest" means that which is beneficial to
16 society as a whole, including but not limited to projects that
17 benefit the health, safety, and general welfare of the people of
18 the State or its political subdivisions; provided that these
19 benefits extend beyond the mere creation of jobs."

20 SECTION 12. New statutory material is underscored.



1 SECTION 13. This Act shall take effect on July 1, 2022.

2

INTRODUCED BY: Jana Acasio



S.B. NO. 2406

Report Title:

Special Purpose Revenue Bonds; Public Interest

Description:

Defines the term "public interest" with regard to the issuance of special purpose revenue bonds.

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