

**ACT 141**

H.B. NO. 3852

A Bill for an Act Relating to Special Purpose Revenue Bonds to Assist ETV Hawaii/  
Elephant Television, Inc.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Act 278, Session Laws of Hawaii 1991, as amended by Act 240, Session Laws of Hawaii 1993, authorizes the issuance of special purpose revenue bonds under part V, chapter 39A, Hawaii Revised Statutes, to assist ETV

Hawaii/Elephant Television, Inc., as an industrial enterprise to provide television and film industry production and training to Hawaii's residents.

The legislature finds that under current federal law, bonds authorized pursuant to Act 278, as amended, cannot be issued such that the interest thereon is exempt from income taxation by the United States, and it is advisable to further revise Act 278 to expressly permit the issuance of the bonds authorized pursuant thereto to be issued as taxable bonds in order to facilitate the issuance of the special purpose revenue bonds for ETV Hawaii/Elephant Television, Inc. The legislature further finds that an extension of the authorized time period to issue the special purpose revenue bonds contained in Act 278, as amended, is appropriate in order that the five year delay does not prejudice ETV Hawaii/Elephant Television, Inc.

The purpose of this Act is to amend Act 278, Session Laws of Hawaii 1991, as amended, to increase the authorized amount of the special purpose revenue bonds, extend the duration of the authorized time period to issue the bonds for ETV Hawaii/Elephant Television, Inc., and expressly provide that such bonds may be issued notwithstanding that the interest thereon may be subject to income taxation by the United States under federal law.

SECTION 2. Act 278, Session Laws of Hawaii 1991, as amended by Act 240, Session Laws of Hawaii 1993, is amended as follows:

1. By amending section 2 to read:

"SECTION 2. The department of budget and finance, with the approval of the governor, is authorized to issue special purpose revenue bonds in a total amount not to exceed [\$6,000,000.] \$10,000,000, in one or more series, for the purpose of assisting ETV Hawaii/Elephant Television, Inc., a Hawaii corporation, or a Hawaii profit or nonprofit corporation established by or under the auspices of ETV Hawaii/Elephant Television, Inc., in the generation of new capital for its television and film industry production and training facility on Maui. The legislature finds and determines that the activities and facilities of ETV Hawaii/Elephant Television, Inc., or a Hawaii profit or nonprofit corporation established by or under the auspices of ETV Hawaii/Elephant Television, Inc., constitute a project defined in part V, chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to an industrial enterprise."

2. By amending section 4 to read:

"SECTION 4. The special purpose revenue bonds issued under this Act shall be issued pursuant to part V, chapter 39A, Hawaii Revised Statutes, relating to the power to issue special purpose revenue bonds to assist industrial enterprises. Special purpose revenue bonds issued under this Act, to the extent practicable, shall be issued to comply with the requirements imposed by applicable federal law providing that the interest shall be excluded from gross income for federal income tax purposes (except as certain minimum taxes or environmental taxes may apply); provided that nothing in this Act shall be deemed to prohibit the issuance of special purpose revenue bonds under this Act, the interest on which may be included in gross income for federal income tax purposes."

3. By amending section 5 to read:

"SECTION 5. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, [1998.] 2001."

SECTION 3. Session law material to be repealed is bracketed. New session law material is underscored.

**SECTION 4.** This Act shall take effect upon its approval.

(Approved June 12, 1996.)