

ACT 266

S.B NO. 2411

A Bill for an Act Relating to Special Purpose Revenue Bonds for Processing Enterprises.

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

SECTION 1. The legislature finds that coffee production throughout Hawaii was valued at over \$24,000,000 in 1998. While this is a significant contribution to the economy, coffee sales have fallen in recent years due to strong competition in world markets.

The legislature also finds that in order to develop additional markets for Hawaii-grown coffee, the industry must add new products such as freeze dried coffee. Prospective buyers for freeze dried coffee include the United States military, overseas markets, and niche markets such as eco-tourism that rely on portable and durable food products.

The legislature further finds and declares that the issuance of special purpose revenue bonds under this Act constitutes a processing enterprise pursuant to part IV, chapter 39A, Hawaii Revised Statutes, and is in the public interest.

SECTION 2. Pursuant to part IV, chapter 39A, Hawaii Revised Statutes, 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 \$10,000,000, in one or more series, for the purpose of assisting Kauai Coffee Company, Incorporated in planning and building a processing plant for freeze dried coffee, at a site to be determined; provided that the department of budget and finance shall:

- (1) Evaluate Kauai Coffee Company Inc.'s application for financing of the processing plant using the information submitted on Form P-501, entitled "Formal Application for Financing of an Processing Enterprise", dated June 1, 1999; and
- (2) Report its findings and recommendation to the legislature not less than twenty days before the convening of the Regular Session of 2001;

before issuing special purpose revenue bonds under this Act.

The legislature finds and determines that the planning and building of a processing plant to freeze dry coffee constitutes a processing enterprise project as defined in part IV, chapter 39A, Hawaii Revised Statutes, and is in the public interest.

SECTION 3. The special purpose revenue bonds issued under section 2 of this Act shall be issued pursuant to part IV, chapter 39A, Hawaii Revised Statutes, relating to the power to issue special purpose revenue bonds to assist processing enterprises.

SECTION 4. The department of budget and finance is authorized to issue from time to time, refunding special purpose revenue bonds authorized in such principal amounts as the department shall determine to be necessary to refund the special purpose revenue bonds authorized in section 2.

SECTION 5. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 2005.

SECTION 6. This Act shall take effect upon its approval.

(Approved June 20, 2000.)