

## ACT 189

S.B. NO. 1405

A Bill for an Act Relating to Special Purpose Revenue Bonds for Hi-Tech Hawaii, Inc.

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

SECTION 1. The legislature finds that it is in the public interest to encourage the development of high technology research and development facilities on public lands or lands administered by the department of Hawaiian home lands (DHHL). The issuance of special purpose revenue bonds and refunding special purpose revenue bonds under this Act will encourage the development of such facilities by lowering interest rates in financing capital improvement costs associated with the construction and operations of these facilities through the use of tax exempt special purpose revenue bonds, thereby making such projects more economically feasible.

The legislature finds that Hi-Tech Hawai'i, Inc. is engaged in the acquisition and development of facilities to assist the high technology industry in the planning, design, and construction of research development and technology support facilities in the State. The legislature further finds that the issuance of special purpose revenue bonds and refunding special purpose revenue bonds under this Act to assist Hi-Tech Hawai'i, Inc. in constructing this project will make the development more economically feasible and provide numerous benefits, including the following:

- (1) The general public will benefit by reducing DHHL's dependency on state revenues and improving the income stream of DHHL to further support its mission to provide housing for native Hawaiians;
- (2) The general public will benefit because the lower cost to site such research and development facilities will encourage high technology enterprises to locate to Hawaii, thereby increasing economic opportuni-

ties for residents and those dislocated residents with technical education to return to Hawaii;

- (3) The general public will benefit environmentally because such research and development facilities are representative of an environmentally clean industry and minimal use of state resources; and
- (4) The University of Hawaii will benefit by providing its students with access to high technology research and development companies and their projects, and these benefits will also promote the general economy of the State.

SECTION 2. The legislature further finds that the activities of Hi-Tech Hawai'i, Inc., constitute a project as defined in part V, chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to industrial enterprises as defined therein and are qualified to be financed through the issuance of special purpose revenue bonds.

SECTION 3. Pursuant to part V, chapter 39A, Hawaii Revised Statutes, the department of budget and finance is hereby authorized, with the approval of the governor, 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 Hi-Tech Hawai'i, Inc., a Hawaii corporation (or a partnership in which Hi-Tech Hawai'i, Inc. is a general partner, or the successor in interest or assignee of Hi-Tech Hawai'i, Inc.), with the financing, refinancing, or both of the costs related to the acquisition and development of facilities to assist the high technology industry in the planning, design, and construction of high technology research, development, and technology support facilities, including the costs of constructing, equipping, and purchasing tangible assets (including land and easements for such facility).

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.

SECTION 5. The department of budget and finance is authorized, with the approval of the governor, to issue from time to time (including times subsequent to June 30, 2004) refunding special purpose revenue bonds in such principal amounts as the department shall determine to be necessary to refund the special purpose revenue bonds authorized in section 3. Any refunding special purpose revenue bonds authorized in this section, regardless of whether the outstanding special purpose revenue bonds or refunding special purpose revenue bonds have matured or are the subject of redemption, shall be bonds for the projects and purposes described in section 3. In making this determination, the department shall comply with federal law relating to the exemption from federal income taxation of the interest on bonds of the nature authorized under this section.

SECTION 6. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 2004.

SECTION 7. This Act shall take effect upon its approval.

(Approved May 29, 2001.)