

ACT 41

H.B. NO. 1319

A Bill for an Act Relating to Special Purpose Revenue Bonds for Electric Public Utilities.

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

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

SECTION 2. Pursuant to part VI, 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 \$700,000,000, in one or more series, for the purpose of assisting Hawaiian Electric Company, Inc., and including its subsidiaries Maui Electric Company, Limited, and Hawaii Electric Light Company, Inc., Hawaii corporations, for multi-project capital improvement programs, including costs to cover the acquisition of land or the construction or acquisition of facilities used or related to the production, transmission, or distribution of electricity, or any combination thereof; provided that the approval of the public utilities commission shall be required for any project financed by the issuance of special purpose revenue bonds under this Act. The special purpose revenue bonds shall be issued for the aforementioned purposes in the following distribution:

- (1) Up to \$400,000,000 for Hawaiian Electric Company, Inc.;
- (2) Up to \$150,000,000 for Maui Electric Company, Limited; and
- (3) Up to \$150,000,000 for Hawaiian Electric Light Company, Inc.;

provided that any benefits or savings realized due to the issuance of these special purpose revenue bonds shall be apportioned to ratepayers.

The legislature hereby finds and determines that the capital improvement projects and programs of Hawaiian Electric Company, Inc., and its subsidiaries Maui Electric Company, Limited, and Hawaii Electric Light Company, Inc., constitute a project as defined in part VI, chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to utilities serving the general public in providing electric energy.

SECTION 3. The special purpose revenue bonds and the refunding special purpose revenue bonds issued under this Act shall be issued pursuant to part VI, chapter 39A, Hawaii Revised Statutes, relating to the power to issue special purpose revenue bonds to assist utilities serving the general public in providing electric energy.

SECTION 4. The department of budget and finance is authorized, from time to time, including times subsequent to June 30, 2024, to issue special purpose revenue bonds in whatever principal amounts the department shall determine to be necessary to refund the special purpose revenue bonds autho-

rized in section 2 and to refund 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 or whether the refunding special purpose revenue bonds shall be bonds for the multi-project programs described in section 2. 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 by this section.

SECTION 5. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 2024.

SECTION 6. This Act shall take effect on July 1, 2019.
(Approved June 7, 2019.)