

A Bill for an Act Relating to the Issuance of Special Purpose Revenue Bonds to Assist E Ola Mau Na Leo O Kekaha.

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

SECTION 1. The legislature finds that E Ola Mau Na Leo O Kekaha proposes to obtain, remediate, and develop the old Kekaha Sugar Mill from Kekaha MS, LLC, in Kekaha, Kauai, Hawaii, through its subsidiary Kekaha Community Development Corporation, to create, among other things, a smart farming enterprise, tourist and cultural center, community sunshine market, community greenhouse, and community manufacturing and incubator facility. Acquiring, remediating, and developing the property to provide various services will address community and island-wide issues relating to the preservation of a historic cultural site, preservation of important agricultural endeavors, and development and creation of diverse economic drivers on the west side of Kauai that have significantly diminished in recent years due to the closing of the Kekaha Sugar Mill.

The legislature additionally finds and declares that the proposed acquisition, remediation, and development of the Kekaha Sugar Mill through the issuance of special purpose revenue bonds under this Act is in the public interest and will further public health, safety, and general welfare.

The purpose of this Act is to authorize the issuance of special purpose revenue bonds to assist E Ola Mau Na Leo O Kekaha, with the financing, acquisition, remediation, construction, and development of the old Kekaha Sugar Mill through its subsidiary, Kekaha Community Development Corporation.

SECTION 2. Pursuant to part V, 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 E Ola Mau Na Leo O Kekaha, a Hawaii domestic 501(c)(3) entity, in acquiring, remediating, and developing the aforementioned project. The legislature hereby finds and determines that E Ola Mau Na Leo O Kekaha's financing, acquisition, remediation, construction, and development of this project constitutes projects as defined in part V, chapter 39A, Hawaii Revised Statutes, and the financing thereof will provide assistance to an industrial enterprise.

SECTION 3. The special purpose revenue bonds and the refunding 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 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 authorized 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 ex-

emption 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.)