

ACT 198

S.B. NO. 2865

A Bill for an Act Relating to the Issuance of Special Purpose Revenue Bonds to Assist DIBSHawaii LLC.

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

SECTION 1. The legislature finds that DIBSHawaii LLC plans to build a net-zero carbon capture storage utilization platform that will recover vented carbon dioxide emissions and scrub and liquify the emissions into food grade liquid carbon dioxide. The recovered carbon dioxide may be placed in pressurized storage tanks, creating a virtual terminal for food grade carbon dioxide to be utilized across the State. This product will be utilized for agriculture, energy, and carbon storage in support of the food security and resilience goals of the State. The intent is for seventy-five per cent of the repurposed carbon dioxide to be dedicated to agriculture and energy. The other twenty-five per cent is projected to be dedicated to the United States Department of Defense to be used as critical process input to create renewable jet fuel and further advance dry ice cleaning efforts on Department of Defense bases, as well as for carbon dioxide mineralization in concrete for state government projects.

The legislature further finds that other intended uses of the food grade carbon dioxide include hemp carbon sequestration, hemp soil remediation, hemp building material, hemp wellness, the farming of hops and other crops to support food security, and the creation of other value added agricultural products. Accordingly, 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 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 \$40,000,000, in one or more series, for the purpose of assisting DIBSHawaii LLC, a Hawaii limited liability company, in financing the costs relating to the construction of a carbon capture storage utilization platform that will recover vented carbon dioxide emissions and scrub and liquify the emissions into food grade liquid carbon dioxide. The legislature hereby finds and determines that construction of a carbon capture storage utilization platform constitutes a project as defined in part V, chapter 39A, Hawaii Revised Statutes, and the financing thereof is 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, 2027, to issue special

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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 of this Act 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 of this Act. 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, 2027.

SECTION 6. This Act shall take effect on July 1, 2022.

(Approved June 27, 2022.)