
A BILL FOR AN ACT

RELATING TO PUBLIC FINANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The Hawaii Revised Statutes is amended by
2 adding a new chapter to be appropriately designated and to read
3 as follows:

4 "CHAPTER

5 CLEAN ECONOMY BANK OF THE STATE OF HAWAII

6 § -1 Clean economy bank of the State of Hawaii

7 established. (a) The clean economy bank of the State of Hawaii
8 is established as an independent entity that shall not be a
9 department, institution, agency, or instrumentality of the
10 State. Neither the bank nor any of its functions, powers, or
11 duties shall be transferred to or consolidated with any other
12 department, agency, or corporation.

13 (b) The purposes of the clean economy bank of the State of
14 Hawaii shall be to:

- 15 (1) Enable the State, along with other participating
16 states, territories, and municipalities, to leverage
17 aligned resources and collective influence to build a
18 national clean economy that creates jobs, reduces



- 1 carbon emissions, and ensures the United States'
2 energy security;
- 3 (2) Support clean economic development within the State
4 and within participating states, territories, and
5 municipalities, by increasing access to capital for
6 local governments, businesses, and non-profits in
7 partnership with local financial institutions;
- 8 (3) Lessen the burden on the State and other participating
9 states, territories, and municipalities of financing
10 qualified renewable energy, renewable energy
11 transmission, energy efficiency, distributed
12 generation, and oil-saving projects and technologies;
13 zero- or low-carbon transportation; clean energy
14 manufacturing; municipal water efficiency; municipal
15 waste efficiency; job training for energy efficiency
16 projects; and for other related purposes;
- 17 (4) Evaluate and coordinate financing for qualifying clean
18 economy projects;
- 19 (5) Provide loans, loan guarantees, debt securitization,
20 insurance, portfolio insurance, and other forms of
21 financing support or risk management to qualified
22 clean economy projects;



- 1 (6) Facilitate efficient tax equity markets for qualified
2 clean economy projects;
- 3 (7) Facilitate the financing of long-term clean energy
4 purchasing by governmental and non-governmental not-
5 for-profit entities;
- 6 (8) Develop and foster the consistent application of
7 transparent underwriting standards, standard
8 contractual terms, and measurement and verification
9 protocols for qualifying clean economy projects;
- 10 (9) Compile performance data that enables effective
11 underwriting, risk management, and pro-forma modeling
12 of financial performance of qualifying clean economy
13 projects to support primary financing markets and
14 stimulate development of secondary investment markets
15 for clean economy projects;
- 16 (10) Foster within the State the level of financing support
17 for qualifying clean economy projects necessary to
18 advance vital national and state objectives,
19 including:
- 20 (A) Achieving energy independence from foreign energy
21 sources;



- 1 (B) Abating climate change by increasing zero- or
- 2 low- carbon electricity generation and
- 3 transportation capabilities;
- 4 (C) Realizing the energy efficiency potential in
- 5 existing infrastructure;
- 6 (D) Easing the economic effects of transitioning from
- 7 a carbon based economy to a clean energy economy;
- 8 (E) Creating jobs through the construction and
- 9 operation of qualifying clean economy projects;
- 10 (F) Upholding fair labor standards;
- 11 (G) Fostering long-term domestic manufacturing
- 12 capacity in the clean economy industries; and
- 13 (H) Complementing and supplementing other clean
- 14 economy legislation at the federal or State
- 15 level; and
- 16 (11) Use profits beyond those necessary to accomplish the
- 17 purposes of the bank under this subsection and for the
- 18 continued sound operation of the bank to create credit
- 19 enhancement mechanisms such as loan loss reserves,
- 20 revolving loan funds, interest rate buydowns, or other
- 21 similar mechanisms that decrease the cost of capital
- 22 for certain qualifying clean economy projects, which



1 shall include affordable housing retrofits and
2 modifications in accordance with the purposes of this
3 chapter.

4 **§ -2 Definitions.** For purposes of this chapter:

5 "Advisory board" means the advisory board of directors of
6 the clean economy bank of the State of Hawaii established under
7 section -5.

8 "Bank" means the clean economy bank of the State of Hawaii.

9 "Board" means the board of the clean economy bank of the
10 State of Hawaii established under section -4.

11 "Clean economy" means any enterprise or industry that
12 participates in the generation, storage, or distribution of
13 renewable energy, including direct renewable energy generation
14 using waste-to-energy technologies, farm-to-fuel technologies,
15 biodiesel, or heat capture; increases energy efficiency or
16 resource productivity; reduces carbon emissions or waste; or
17 uses water or waste more efficiently; manufactures component
18 parts of renewable energy or energy efficiency technologies;
19 employs energy efficiency measures; engages in building science
20 and construction projects to increase energy efficiency or
21 otherwise reduce carbon emissions or waste; or develops or
22 deploys electric and hybrid energy transportation.



1 "Clean economy project" means any undertaking of
2 electricity generation, storage, or transmission; heating or
3 cooling process; industrial process; reduction of oil use in
4 transportation or manufacturing; municipal water or waste
5 project; or related technical assessment or energy audit that:

6 (1) Reduces the need for additional energy supplies by
7 using, transmitting, distributing, or transporting
8 existing energy supplies with greater effectiveness
9 through the infrastructure of the United States;

10 (2) Diversifies the sources of the energy supply of the
11 United States to strengthen energy security and to
12 increase supplies with a favorable balance of
13 environmental effects; or

14 (3) Contributes to the stabilization of atmospheric
15 greenhouse gas concentrations through reduction,
16 avoidance, or sequestration of energy-related
17 emissions of greenhouse gases.

18 "Community development financial institution" has the same
19 meaning as a community development financial institution under
20 the Riegle Community Development and Regulatory Improvement Act
21 of 1994, title 12 United States Code section 4702.



1 "Customer" means any person or entity that has transacted
2 or is transacting business with, has used or is using the
3 services of the bank, or for which the bank has acted or is
4 acting as a fiduciary with respect to trust property.

5 "Participating state, territory, or municipality" means a
6 state, territory, or municipality of the United States that
7 contributes to the capitalization of one or more of the bank's
8 funds and satisfies other requirements as determined by the
9 board.

10 "Practitioners advisory board" means the clean economy
11 practitioners advisory board established by section -6.

12 "Qualifying clean economy project" means a clean economy
13 project that meets the criteria of this chapter for financing
14 support or risk management from the bank.

15 **§ -3 Qualifying clean economy projects.** To qualify for
16 financing support or risk management from the bank, a clean
17 economy project shall:

- 18 (1) Employ commercially viable technologies;
- 19 (2) Be capable of being carried out in a commercially
- 20 viable manner within the State or a participating
- 21 state, territory, or municipality within years of
- 22 the commencement of operation of the bank;



1 (3) Remain current on interest and debt payment
2 obligations; and

3 (4) Satisfy any other conditions established by the bank.

4 **§ -4 Board of the bank; powers and duties.** (a) The
5 board of the clean economy bank of the State of Hawaii shall
6 operate, manage, and control the bank. The board shall locate
7 and maintain places of business of the bank and shall adopt and
8 enforce rules, orders, and bylaws for the transaction of the
9 bank's business. The powers of the board and the functions of
10 the bank shall be implemented through actions taken and policies
11 and rules adopted by the board.

12 (b) The board shall consist of the governor, who shall act
13 as the board's chair, and six additional members who shall serve
14 their terms pursuant to section 26-34 and shall be otherwise
15 appointed as follows:

16 (1) Two members shall be appointed by the governor;

17 (2) One member shall be appointed by the speaker of the
18 house of representatives;

19 (3) One member shall be appointed by the president of the
20 senate;

21 (4) One member shall be appointed by the president of the
22 AFL-CIO; and



1 (5) One member shall be appointed by the president of the
2 Change to Win Federation.

3 (c) The board shall adopt rules requiring the holding of
4 regular meetings and specifying the means for providing notice
5 of the meetings; provided that a special meeting of the board
6 may be called at any time upon notice by the governor or by a
7 majority of the members of the board.

8 (d) The presence of a majority of the board shall
9 constitute a quorum to transact business and exercise all
10 rights, duties, and powers of the board.

11 (e) The board shall appoint a president of the bank;
12 provided that the person appointed shall have extensive
13 experience in banking. The board may appoint and employ any
14 subordinate officers, employees, and agents as the board
15 considers necessary, and shall define the duties, designate the
16 titles, and fix the compensation of those persons. The board
17 may designate the president or other officers or employees as
18 its agent with respect to the functions of the bank, subject to
19 the supervision, limitation, and control of the board.

20 (f) The board may remove and discharge any person
21 appointed in the exercise of its powers granted under this
22 chapter.



1 **§ -5 Advisory board of directors; appointment and**
2 **duties.** (a) To enlist the help of private enterprise and to
3 encourage active exercise of the purposes for which the bank is
4 established, the board shall establish an advisory board of
5 directors that shall consist of eight members. Appointments to
6 the advisory board shall not be subject to section 26-34.

7 (b) The members of the advisory board of directors shall
8 include representatives of the financial, business, labor union,
9 and non-profit sectors. At least two members shall be officers
10 of banks or credit unions incorporated in the State and, in
11 order to foster collaboration with other participating states,
12 territories, and municipalities, at least two members shall be
13 non-residents of the State.

14 (c) The board shall appoint a chairperson, vice-
15 chairperson, and secretary of the advisory board from among the
16 advisory board members. The term of office, including
17 renewability and maximum length of service; provisions for
18 replacement of members of the advisory board due to expiration
19 of term, removal, or suspension; grounds for removal or
20 suspension of an advisory board member; and constitution of
21 quorum for the conduct of business by the advisory board shall



1 be determined by the board by rule; provided that the term of
2 office of an advisory board member shall not exceed four years.

3 (d) The advisory board of directors shall:

4 (1) Meet regularly with the management officers of the
5 bank to review the bank's operations and finances to
6 determine whether recommendations should be made by
7 the advisory board to the board relating to improved
8 management performance, better customer service, and
9 overall improvement in internal methods, procedures,
10 and operating policies of the bank;

11 (2) Meet regularly with the board to make recommendations
12 to the board relating to:

13 (A) The establishment of additional objectives for the
14 operation of the bank;

15 (B) Recommendations concerning the appointment of
16 officers of the bank; and

17 (C) Any other recommendations concerning the bank; and

18 (3) Participate on loan committees, pursuant to rules
19 adopted by the board under section -7.

20 **§ -6 Clean economy practitioners advisory board;**

21 **appointment and duties.** (a) To identify potential clean
22 economy projects and technologies that may be deemed qualifying



1 clean economy projects, eligible for investment by the bank, the
2 board shall appoint an advisory board of clean economy
3 practitioners that shall consist of eight members. Appointments
4 to the practitioners board shall not be subject to section 26-
5 34.

6 (b) The members of the advisory board of clean economy
7 practitioners shall include representatives of the financial,
8 business, non-profit, and public labor sectors. At least two
9 members shall be officers of banks or credit unions incorporated
10 in the State and, in order to foster collaboration with other
11 participating states, territories, and municipalities, at least
12 four members shall be non-residents of the State.

13 (c) The board shall appoint a chairperson, vice-
14 chairperson, and secretary of the practitioners advisory board
15 from among the practitioners advisory board members. The term
16 of office, including renewability and maximum length of service;
17 provisions for replacement of members of the practitioners
18 advisory board due to expiration of term, removal, or
19 suspension; grounds for removal or suspension of an advisory
20 board member; and constitution of quorum for the conduct of
21 business by the practitioners advisory board shall be determined
22 by the board by rule; provided that the term of office of a



1 practitioner's advisory board member shall not exceed four
2 years.

3 (d) The practitioners advisory board shall:

4 (1) Meet biannually with the management officers of the
5 bank to review the bank's current list of qualifying
6 clean economy projects and make recommendations
7 regarding existing qualifying clean economy projects
8 and new potential qualifying clean economy projects;
9 and

10 (2) Meet annually with the board to present any
11 recommendations concerning the bank.

12 **§ -7 Development of rules and standards.** (a) Before
13 making any loan, loan guarantee, debt securitization instrument,
14 insurance, portfolio insurance, or any other form of financing
15 support or risk management, the bank shall develop standards to
16 govern the administration of the bank through policies and
17 procedures adopted by rule pursuant to section -13 that
18 specify:

19 (1) Requirements to facilitate opt-in participation by
20 states, territories, and municipalities;

21 (2) Eligibility of borrowers including participating
22 states, territories, and municipalities; businesses



1 and farms located within the State or participating
2 states, territories, and municipalities; and the types
3 of projects eligible for financing support or risk
4 management;

5 (3) Requirements concerning the technical and economic
6 viability and revenue self-sufficiency of eligible
7 projects;

8 (4) Required collateral or other security;

9 (5) Terms and conditions of financing support and risk
10 management;

11 (6) Criteria to establish financial feasibility and to
12 measure the amount of state assistance necessary for
13 particular projects; and

14 (7) Other relevant criteria, standards, or procedures.

15 (b) Before making any loan, loan guarantee, debt
16 securitization instrument, insurance, portfolio insurance, or
17 any other form of financing support or risk management, the bank
18 shall develop standards to govern the conduct of business of the
19 bank through policies and procedures adopted by rule pursuant to
20 section -13 that:

21 (1) Ensure the safety and soundness of the bank that, to
22 the extent possible, reflect applicable standards for



1 safety and soundness set forth in title 12 Code of
2 Federal Regulations part 364;

3 (2) Specify the bank's powers and permissible investments
4 and activities;

5 (3) Authorize specific services that the bank may provide;

6 (4) Specify limits for loans and other obligations the
7 bank makes or undertakes;

8 (5) Specify reserve requirements; and

9 (6) Specify other requirements that the board considers
10 necessary.

11 (c) Standards and rules adopted pursuant to this section
12 shall be approved by majority vote of the board.

13 **§ -8 Hawaii first fund.** The bank shall establish the
14 Hawaii first fund, separate from other funds of the bank that
15 shall be reserved to support qualified clean economy projects
16 and businesses and farms located in the State and Hawaii-based
17 businesses that seek financing for clean economy projects
18 elsewhere in the United States.

19 **§ -9 Funding sources.** (a) The bank may accept deposits
20 of public funds. All income earned by the bank for its own
21 account on public funds shall be credited to and become a part
22 of the revenues and income of the bank; provided that a public



1 official who has control of the public funds deposited in the
2 bank shall be exempt from liability for any loss of the funds as
3 provided in section -16.

4 (b) The bank shall pay interest on deposits of public
5 funds at a rate comparable to rates paid by private depositories
6 of public funds. As determined by the board, the bank may offer
7 other financial products to the department of budget and
8 finance.

9 (c) The department of budget and finance shall deposit
10 into the Hawaii first fund moneys from the general fund in an
11 amount that the department of budget and finance determines is
12 necessary to allow the bank to fulfill its duties to the State
13 under this chapter.

14 (d) The bank may receive and deposit charitable gifts,
15 grants, contributions, and loans from individuals, corporations,
16 and philanthropic foundations.

17 (e) The bank may raise capital through issuing its own
18 bonds or notes, including tax-exempt bond offerings and small
19 denomination clean economy bonds available for purchase by
20 consumers on a retail basis. The bank may borrow from
21 commercial lenders.



1 (f) In consultation with existing community development
2 financial institutions, local community development
3 organizations, and appropriate community stakeholders, the bank
4 may seek to qualify as a community development financial
5 institution and be eligible for funding from the community
6 development financial institution fund administered by the
7 United States Department of Treasury. Upon qualification and
8 designation as a community development financial institution,
9 the bank shall, subject to applicable federal law, be eligible
10 to receive discount loans from banks seeking to meet their
11 community reinvestment act obligations and shall be treated as a
12 qualified community development entity for purposes of section
13 45D and section 1400N(m) of the Internal Revenue Code of 1986,
14 as amended, and applicable regulations.

15 (g) Once the bank is capitalized and begins its clean
16 economy financing support activities, the bank may provide loans
17 to leverage and otherwise catalyze equity investments in clean
18 economy projects. The bank may receive funds for its financing
19 support, including through a return of and interest on its
20 direct loans and partnerships with other investors, to cover
21 administrative expenses and credit risk.



1 (h) In the event that a market for carbon emission credits
2 emerges, the bank may participate as a credit supplier using
3 credits earned from its clean economy financing projects,
4 consistent with any federal or state rules or laws governing
5 offsets, renewable energy credits, or other tradeable
6 instruments.

7 (i) The legislature may appropriate additional funds from
8 any appropriate source to provide financing support for
9 qualifying clean economy projects.

10 (j) Pursuant to chapter 269, the public utilities
11 commission shall assess a charge of not less than per
12 kilowatt hour charged to each end use customer of electric
13 utility services in the State. The moneys from the assessed
14 charges shall be deposited into the Hawaii first fund.

15 **§ -10 Powers of the bank.** The bank may:

16 (1) Make, purchase, guarantee, or hold loans:

17 (A) To participating states, territories, and
18 municipalities;

19 (B) To state chartered or federally chartered lending
20 agencies or institutions or other financial
21 institutions;



- 1 (C) That are insured or guaranteed in whole or in part
2 by the United States, its agencies, or
3 instrumentalities;
- 4 (D) Obtained as security pledged for or originated in
5 the restructuring of any other loan properly
6 originated or participated in by the bank; or
- 7 (E) To agencies or instrumentalities of the State of
8 Hawaii;
- 9 (2) Purchase participation interests in loans made or held
10 by banks, bank holding companies, state chartered or
11 federally chartered lending agencies or institutions,
12 or any other financial institution or entity that
13 provides financial services and meets underwriting
14 standards established by rule by the board and that
15 are generally accepted by state or federal financial
16 regulatory agencies;
- 17 (3) Invest its funds in conformity with policies of the
18 board and the department of budget and finance;
- 19 (4) Buy and sell federal funds;
- 20 (5) Lease, assign, sell, exchange, transfer, convey,
21 grant, pledge, or mortgage all real and personal



1 property, title to which has been acquired in any
2 manner;

3 (6) Perform all acts and do all things necessary,
4 convenient, advisable, or desirable to carry out the
5 powers expressly granted or necessarily implied in
6 this chapter through or by means of its president,
7 officers, agents, or employees or by contracts with
8 any person, firm, or corporation;

9 (7) Purchase, guarantee, or hold loans originated by
10 financial institutions doing business in the State and
11 in participating states, territories, and
12 municipalities;

13 (8) Make loans in the form of participation loans to
14 qualified persons residing in or doing business in the
15 State where the originator of the loan is a private
16 financial institution;

17 (9) Act as a custodian bank for financial institutions
18 organized under the laws of the State and accept
19 deposits from the financial institutions in connection
20 with this function;

21 (10) Issue bank stock loans to financial institutions
22 organized under the laws of the State; and



1 (11) For financial institutions that make the bank a
2 reserve depository, perform the functions and render
3 the services of a clearinghouse, including all
4 facilities for providing domestic and foreign
5 exchange, and rediscount paper on terms prescribed by
6 the board of the bank.

7 **§ -11 Lending; financing; expenditures.** (a) The bank
8 shall establish a program to provide on a competitive basis
9 loans, loan guarantees, debt securitization, insurance,
10 portfolio insurance, and other forms of financing support or
11 risk management, as the bank determines appropriate, for any
12 qualifying clean economy project.

13 (b) The bank shall only provide financing support and risk
14 management pursuant to subsection (a) if:

15 (1) The support or risk management is commercially
16 reasonable and does not exceed eighty per cent of the
17 capitalization of the qualified clean energy project;
18 and

19 (2) The support or risk management is secured by the
20 underlying project or other collateral that the bank
21 determines appropriate.



1 (c) The bank may facilitate financing transactions in tax
2 equity markets and long-term purchasing of clean economy
3 projects by governmental entities and non-governmental not-for-
4 profit entities to the degree and extent that the bank
5 determines the financing activity is appropriate and consistent
6 with carrying out the terms of this section.

7 (d) The bank is authorized to create, accept, execute, and
8 otherwise administer in all respects trusts, receiverships,
9 conservatorships, liquidating or other agencies, or other
10 fiduciary and representative undertakings and activities, as
11 appropriate for financing purposes. Instruments issued by the
12 bank pursuant to this section shall be exempt securities within
13 the meaning of laws administered by the Securities and Exchange
14 Commission to the same extent as securities that are direct
15 obligations of or obligations guaranteed as to principal or
16 interest by the United States.

17 (e) The bank shall assess reasonable fees on its
18 activities including loans, loan guarantees, insurance,
19 portfolio insurance, and other forms of financing support or
20 risk management it provides so as to cover its reasonable costs
21 and expenses as determined by the board; provided that the bank
22 operates as a not-for-profit entity. To the extent a loan or



1 loan guarantee is issued using funding from the United States
2 Treasury, interest payments shall be sufficient to pay any
3 applicable credit subsidy costs to the United States under the
4 Federal Credit Reform Act of 1990, title 2 United States Code
5 sections 661 et seq. The credit subsidy cost fee shall be paid
6 by the borrower and shall be treated as a permitted project
7 cost.

8 (f) The president of the bank:

9 (1) Shall require any entity receiving financing support
10 or risk management including a loan, loan guarantee,
11 debt securitization, insurance, portfolio insurance,
12 and other forms of financing support pursuant to this
13 section to report quarterly, in a format specified by
14 the president, on the entity's use of the financing
15 support and progress in fulfilling the objectives for
16 which such support was granted; provided that the
17 president of the bank shall make reports submitted
18 pursuant to this paragraph available to the public;

19 (2) May establish additional reporting and information
20 requirements for any recipient of financing support
21 made available pursuant to this section;



- 1 (3) Shall establish appropriate mechanisms to ensure
2 appropriate use and compliance with all terms of any
3 financing support made available pursuant to this
4 section;
- 5 (4) May, in addition to and consistent with any other
6 authority under applicable law, deobligate financing
7 support made available pursuant to this section to
8 entities that demonstrate an insufficient level of
9 performance or wasteful or fraudulent spending as
10 determined by the president in advance of the award of
11 financing support and may award deobligated funds
12 competitively to new or existing applicants consistent
13 with this chapter;
- 14 (5) Shall create and maintain a fully searchable database,
15 accessible on the internet or successor information
16 protocol at no cost to the public that contains at
17 least:
- 18 (A) A list of each entity that has applied for a loan,
19 loan guarantee, insurance, portfolio insurance,
20 or other forms of financing support or risk
21 management under this section along with a brief
22 description and status of each application;



1 (B) The name of each entity receiving funds made
2 available pursuant to this section, the purpose
3 for which each entity is receiving funds, and
4 each quarterly report submitted by the entity
5 pursuant to paragraph (1); and

6 (C) Any other information that the president
7 determines is sufficient to allow the public to
8 understand and monitor loans, loan guarantees,
9 insurance, portfolio insurance, and other forms
10 of financing support or risk management provided
11 under this section.

12 (g) To the extent practicable, data maintained pursuant to
13 subsection (f) shall be used to inform private capital markets,
14 including for the development of underwriting standards for the
15 financing of clean energy projects and energy efficiency
16 projects.

17 (h) The bank shall make all financing transactions
18 available for public inspection, including the accommodation of
19 formal annual reviews by both a private auditor and the state
20 auditor.



1 (i) The bank shall at all times maintain a mechanism for
2 the receipt, in writing, of public comment on the activities of
3 the bank.

4 § -12 **Income; excess earnings.** Except as otherwise
5 provided, as soon as possible after the end of each calendar
6 year, the board shall determine the amount of income that is in
7 excess of amounts necessary to pay for expenses of administering
8 the activities of the bank, if any, earned by the bank in that
9 calendar year. The amount of the excess shall be used to create
10 credit enhancement mechanisms such as loan loss reserves,
11 revolving loan funds, interest rate buydowns, or other similar
12 mechanisms to decrease cost of capital for certain types of
13 qualifying clean economy projects, as determined by the board;
14 provided that the qualifying clean economy projects shall
15 include affordable housing retrofits and modifications in
16 accordance with the purposes of this chapter.

17 § -13 **Rulemaking.** (a) The board shall develop a
18 process, not subject to chapter 91, for approving standards and
19 for adopting rules that includes public notice and an
20 opportunity for interested stakeholders to submit comments on
21 proposed standards.



1 (b) The department of commerce and consumer affairs shall
2 examine the bank not less frequently than once each calendar
3 quarter to verify that the bank is complying with its rules
4 adopted pursuant to subsection (a). The department of commerce
5 and consumer affairs shall report the results of the examination
6 to the board and to the legislature. The report shall be a
7 public record subject to disclosure pursuant to chapter 92.

8 (c) The state auditor shall audit the accounts and
9 financial affairs of the bank no less frequently than once every
10 two years. The auditor's report shall be a public record
11 subject to disclosure pursuant to chapter 92.

12 **§ -14 Deposits; guaranteed by State; exempt from**
13 **taxation.** (a) All deposits in the bank shall be guaranteed by
14 the State.

15 (b) The deposits and any income earned by the bank shall
16 not be subject to state or local taxes of any kind.

17 **§ -15 Civil actions.** (a) Civil actions may be brought
18 as provided in this section against the State for claims for
19 relief asserted to have arisen out of transactions connected
20 with the operation of the bank.



1 (b) In an action brought pursuant to this section, the
2 State shall be designated as the State of Hawaii, doing business
3 as the clean economy bank of the State of Hawaii.

4 (c) An action brought pursuant to this section may be
5 brought in any circuit court of the State in the same manner and
6 subject to the same laws and rules of the courts as other civil
7 actions.

8 **§ -16 Public officials; exemption from liability.**

9 Whenever any public funds are deposited in the bank, the public
10 official who deposited the funds and the sureties on any bond of
11 the public official shall be exempt from liability by reason of
12 loss of any of the funds while the funds are deposited in the
13 bank.

14 **§ -17 Conduct of business; execution of instruments.**

15 (a) All business of the bank shall be conducted under the name
16 of the clean economy bank of the State of Hawaii or the clean
17 economy bank. Title to property pertaining to the operation of
18 the bank shall be obtained and conveyed in the name of the State
19 of Hawaii, doing business as the clean economy bank of the State
20 of Hawaii.

21 (b) Instruments shall be executed in the name of the State
22 of Hawaii. Within the scope of authority granted by the board,



1 the president of the bank may execute instruments on behalf of
2 the bank, including any instrument granting, conveying, or
3 otherwise affecting any interest in or lien upon real or
4 personal property.

5 (c) Other officers or employees of, and legal counsel to,
6 the bank may execute instruments on behalf of the bank when
7 authorized by the board.

8 § -18 **Certain records confidential.** (a) The following
9 records of the bank shall be confidential and shall not be
10 disclosed:

11 (1) Commercial or financial information of a customer of
12 the bank, whether obtained directly or indirectly,
13 other than information disclosed in routine credit
14 inquiries concerning information that is required to
15 be disclosed in accordance with due legal process and
16 information required to be disclosed pursuant to
17 section -11(f);

18 (2) Internal or interagency memoranda or letters that
19 would not be available by law to a party other than in
20 litigation with the bank; and

21 (3) Except as provided in section -13, information that
22 is contained in or related to a report of an



1 examination or operating or condition reports prepared
2 by, on behalf of, or for the use of, a state or
3 federal agency responsible for the regulation or
4 supervision of any bank activity."

5 SECTION 2. This Act shall take effect on July 1, 2030.



Report Title:

Public Finance; Clean Economy Bank

Description:

Establishes the Clean Economy Bank of the State of Hawaii to, among other things: (1) Enable the State, along with other participating states, territories, and municipalities, to leverage aligned resources and collective influence to build a national clean economy that creates jobs, reduces carbon emissions, and ensures the nation's energy security; (2) Support clean economic development within the State and other participating entities; and (3) Lessen the burden on the State and other participating entities to finance qualified renewable energy and other related purposes. Effective July 1, 2030.
(HB1033 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

