

JAN 27 2016

A BILL FOR AN ACT

RELATING TO SPECIAL PURPOSE REVENUE BONDS.

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

1 SECTION 1. The legislature finds that the State suffers
2 from serious traffic congestion, limited road and parking
3 resources, and over-reliance on imported fuel for
4 transportation, and needs flexible and affordable transportation
5 options. Thus, the development of a bikeshare system in the
6 State is in the public interest.

7 Bikeshare is a low-cost, flexible transportation service
8 that provides on-demand access to a network of publicly
9 accessible bicycles. These bicycles are located at fixed
10 destination-based stations. The city and county of Honolulu and
11 its various public and private partners identified bikeshare as
12 a transportation amenity to meet the mobility needs of
13 residents, employees, and visitors. Bikeshare also supports
14 various concurrent and interconnected initiatives, including the
15 implementation of the Honolulu Authority for Rapid
16 Transportation rail system, transit-oriented community
17 development, and various energy, livability, and health



1 initiatives of the State. In May 2012, the Hawaii clean energy
2 initiative's transportation vehicle miles traveled reduction
3 working group and the department of health identified the
4 development of bikeshare as a key strategy for reducing vehicle
5 miles traveled and achieving healthy outcomes.

6 The legislature further finds that the benefits of
7 developing a bikeshare system include:

- 8 (1) Economic development;
- 9 (2) Public health improvement and chronic disease
10 prevention;
- 11 (3) Increased safety and a reduction in transportation-
12 related fatality rates;
- 13 (4) Creation of local technical and semi-technical jobs;
14 and
- 15 (5) Creation of a new recreational amenity for residents
16 and visitors.

17 Bikeshare Hawaii is developing a bikeshare project in the
18 State that will include:

- 19 (1) A fleet of approximately one thousand five hundred
20 publicly accessible bicycles;



- 1 (2) Approximately one hundred fifty unstaffed bikeshare
- 2 stations for securing bicycles, accepting payment, and
- 3 providing information about the system;
- 4 (3) Public access to the system at all hours on all days;
- 5 (4) Integrated safety features on all bicycles;
- 6 (5) Anti-theft and anti-vandalism features at stations and
- 7 on bicycles;
- 8 (6) A suite of information technology integrating
- 9 stations, payments, a website, and mobile
- 10 applications; and
- 11 (7) Customer support.

12 The legislature also finds that Bikeshare Hawaii's work to
13 develop a bikeshare system is an industrial enterprise, within
14 the meaning of part V, chapter 39A, Hawaii Revised Statutes, and
15 that the bikeshare project may be assisted through the issuance
16 of special purpose revenue bonds.

17 Accordingly, the purpose of this Act is to authorize the
18 issuance of special purpose revenue bonds to assist Bikeshare
19 Hawaii, a not-for-profit organization pursuant to section
20 501(c) (3) of the Internal Revenue Code, with the development of

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1 a bikeshare system to replace short car trips and provide a
2 convenient and affordable transportation option.

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

6 SECTION 2. Pursuant to part V, chapter 39A, Hawaii Revised
7 Statutes, the department of budget and finance, with the
8 approval of the governor, is authorized to issue special purpose
9 revenue bonds in a total amount not to exceed \$8,000,000 in one
10 or more series, for the purpose of assisting Bikeshare Hawaii
11 develop a bikeshare system to replace short car trips and
12 provide a convenient and affordable transportation option. The
13 bicycles utilized by the system shall be made available for use
14 by members of the general public on a membership basis or
15 through fees. The legislature hereby finds and determines that
16 the establishment of a bikeshare system constitutes a "project"
17 as defined in part V, chapter 39A, Hawaii Revised Statutes,
18 relating to the power to issue special purpose revenue bonds to
19 assist an industrial enterprise.

20 SECTION 3. The special purpose revenue bonds and the
21 refunding special purpose revenue bonds issued under this Act



1 shall be issued pursuant to part V, chapter 39A, Hawaii Revised
2 Statutes, relating to the power to issue special purpose revenue
3 bonds to assist industrial enterprises.

4 SECTION 4. The department of budget and finance is
5 authorized, from time to time, including times subsequent to
6 2020, to issue special purpose revenue bonds in whatever
7 principal amounts the department shall determine to be necessary
8 to refund the special purpose revenue bonds authorized in
9 section 2 and to refund special purpose revenue bonds authorized
10 in this section, regardless of whether the outstanding special
11 purpose revenue bonds or refunding special purpose revenue bonds
12 have matured or are the subject of redemption or whether the
13 refunding special purpose revenue bonds shall be bonds for the
14 multi-project programs described in section 2. In making this
15 determination, the department shall comply with federal law
16 relating to the exemption from federal income taxation of the
17 interest on bonds of the nature authorized by this section.

18 SECTION 5. The authorization to issue special purpose
19 revenue bonds under this Act shall lapse on June 30, 2021.



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1 SECTION 6. This Act shall take effect on July 1, 2016.

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Report Title:

Transportation; Public Health; Economic Development; Bikeshare Hawaii; Special Purpose Revenue Bonds; Appropriation

Description:

Authorizes the issuance of special purpose revenue bonds to assist Bikeshare Hawaii develop a bikeshare system in the State.

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