
A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1 SECTION 1. The legislature finds that the downsizing of
2 the sugar industry and the transitioning of the agricultural
3 industry from plantation agriculture to other agricultural
4 enterprises present an opportunity for great expansion of
5 Hawaii's agricultural production. What is vital to the
6 expansion of agriculture, however, is the maintaining of
7 agriculture's supporting infrastructure. Plantation agriculture
8 created a valuable inventory of infrastructure, including
9 irrigation systems, roads, and drainage systems. The successful
10 transitioning of the agriculture industry requires that this
11 valuable infrastructure be preserved, enhanced, and reconfigured
12 to support new agricultural ventures. To build these systems
13 today will cost more than agricultural enterprises are willing
14 to invest in start-up costs.

15 Lacking the huge investments made by the sugar companies to
16 construct and maintain these systems, the legislature finds that
17 the transitioning agriculture industry needs an instrument to
18 encourage private investment in agricultural infrastructure.



1 The purpose of this Act is to allow the use of special
2 purpose revenue bonds for the construction and improvement of
3 agricultural infrastructure by the agriculture industry.

4 SECTION 2. Section 39A-151, Hawaii Revised Statutes, is
5 amended as follows:

6 1. By adding three new definitions to be appropriately
7 inserted and to read:

8 "Agricultural infrastructure improvement" means the
9 planning, design, construction, reconstruction, improvement,
10 altering, or repairing of agricultural supporting infrastructure
11 used or formerly used by a plantation system or other large
12 agricultural operation, including irrigation systems, roads, and
13 drainage systems.

14 "Drainage system" means an agricultural system of channels,
15 ditches, pipes, pumps, and accessory facilities established for
16 the purpose of drawing off water from a land area larger than
17 twenty acres.

18 "Irrigation system" means an agricultural system of
19 intakes, diversions, wells, ditches, siphons, pipes, reservoirs,
20 and accessory facilities established for the purpose of
21 providing water for agricultural production."



1 2. By amending the definitions of "project", "project
2 agreement", and "project party" to read:

3 ""Project" means any combination of land, buildings, and
4 other improvements thereon, including without limitation parking
5 facilities, for use of, or for, or to assist an industrial
6 enterprise, including, without limiting the generality of the
7 foregoing, machinery, equipment, furnishings, and apparatus
8 [~~which~~] that shall be deemed necessary, suitable, or useful to
9 such enterprise[-]; and, in the case of an agricultural
10 industrial enterprise, means any combination of land, buildings,
11 and other improvements that constitute an agricultural
12 infrastructure improvement for use by one or more agricultural
13 industrial enterprises.

14 "Project agreement" means any agreement entered into under
15 this part by the department with a project party to finance,
16 construct, operate, or maintain a project or any supporting
17 infrastructure used or formerly used by a plantation system or
18 other large agricultural operation from the proceeds of special
19 purpose revenue bonds, or to lend the proceeds of special
20 purpose revenue bonds to assist an industrial enterprise,
21 including without limitation any loan agreement.

22 "Project party" means [a] either:



- 1 (1) A person, firm, or corporation qualified to do
- 2 business in this State and conducting or proposing to
- 3 conduct an industrial enterprise in this State[-]; or
- 4 (2) A person, firm, or corporation that is an agricultural
- 5 industrial enterprise or a not-for-profit private
- 6 entity that is responsible for the operation, repair,
- 7 and maintenance of agricultural supporting
- 8 infrastructure in this State."

9 SECTION 3. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

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HB NO 2144

Report Title:

SPRB; Agriculture

Description:

Includes agricultural industrial enterprises and agricultural infrastructure improvements under the scope of special purpose revenue bonds for industrial enterprises.

