
A BILL FOR AN ACT

RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION.

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

1 SECTION 1. The agribusiness development corporation is the
2 State's primary agency with respect to assisting and supporting
3 our agricultural businesses. Section 163D-1, Hawaii Revised
4 Statutes describes the purpose of the corporation as conceived
5 by the legislature. It reads, in part:

6 *"Constantly evolving economies require an aggressive and*
7 *dynamic leadership for the promotion and development of*
8 *agricultural enterprises, and centralized leadership to*
9 *coordinate industry development, provide industry-wide services,*
10 *provide marketing assistance, and facilitate investments and*
11 *coventures in viable enterprises.*

12 *The purpose of this chapter is to create a vehicle and*
13 *process to make optimal use of agricultural assets for the*
14 *economic, environmental, and social benefit of the people of*
15 *Hawaii. This chapter establishes a public corporation to*
16 *administer an aggressive and dynamic agribusiness development*
17 *program. The corporation shall coordinate and administer*
18 *programs to assist agricultural enterprises to facilitate the*



1 transition of agricultural infrastructure from plantation
2 operations into other agricultural enterprises, to carry on the
3 marketing analysis to direct agricultural industry evolution,
4 and to provide the leadership for the development, financing,
5 improvement, or enhancement of agricultural enterprises."

6 With its emphasis on the "business" aspects of agriculture
7 and on assisting and improving agricultural enterprises, the
8 agribusiness development corporation's mission appears to be
9 more closely aligned with the department of business, economic
10 development, and tourism, rather than with the department of
11 agriculture.

12 In addition, the legislature finds that the board of the
13 agribusiness development corporation may be improved by
14 requiring the inclusion of members with expertise in areas such
15 as wholesale, retail, and distribution; packaging and
16 processing; transportation and shipping; and venture capital.
17 These industries have an important role to play in ensuring the
18 future survivability of Hawaii's agricultural industry.

19 The purpose of this Act is to improve the effectiveness and
20 decision-making of the agribusiness development corporation by:



- 1 (1) Attaching it administratively to the department of
2 business, economic development, and tourism, instead
3 of the department of agriculture;
- 4 (2) Requiring the department of business, economic
5 development, and tourism to assist the agribusiness
6 development corporation in carrying out its duties and
7 obligations; and
- 8 (3) Requiring that at least four members of the board of
9 the agribusiness development corporation have
10 knowledge, experience, and expertise within the fields
11 of retail, wholesale, and distribution involving
12 agricultural products; packaging and processing of
13 agricultural products; transportation and shipping of
14 agricultural products; or venture capital involving
15 agricultural businesses.

16 SECTION 2. Chapter 163D, Hawaii Revised Statutes, is
17 amended by adding a new section to be appropriately designated
18 and to read as follows:

19 "§163D- _____ Department of business, economic development,
20 and tourism; assistance. The department of business, economic
21 development, and tourism shall provide the corporation with any
22 assistance that the corporation may require in carrying out its



1 duties and obligations, including assistance in the following
2 areas:

- 3 (1) Marketing and business development;
- 4 (2) Technical assistance for businesses;
- 5 (3) Agricultural entrepreneurship;
- 6 (4) Venture capital financing; and
- 7 (5) Economic research and statistics focused on
8 agriculture in Hawaii."

9 SECTION 3. Section 163D-3, Hawaii Revised Statutes, is
10 amended by amending subsections (a) and (b) to read as follows:

11 "(a) There is established the agribusiness development
12 corporation, which shall be a public body corporate and politic
13 and an instrumentality and agency of the State. The corporation
14 shall be headed by a board of directors. The corporation shall
15 be placed within the department of [~~agriculture~~] business,
16 economic development, and tourism for administrative purposes,
17 but the corporation may later incorporate as a nonprofit
18 corporation if this proves desirable to further its objectives;
19 provided that such reorganization as a nonprofit corporation
20 shall not adversely affect the federal tax status of the
21 interest on any bonds issued to finance any project or project
22 facility.



1 (b) The board of directors of the corporation shall
2 consist of eleven voting members, of whom eight shall be
3 appointed by the governor. The terms of these eight members
4 shall be four years; provided that, commencing on July 1, 2005,
5 the governor shall reduce the terms of those initially appointed
6 so as to provide, as nearly as can be, for the expiration of an
7 equal number of terms at intervals of one year. The eight
8 members shall be selected on the basis of their knowledge,
9 experience, and proven expertise in small and large businesses
10 within the agricultural industry, agricultural economics,
11 banking, real estate, finance, promotion, marketing, and
12 management[-]; provided that at least four of the eight members
13 shall also have knowledge, experience, and expertise within the
14 fields of retail, wholesale, and distribution involving
15 agricultural products; packaging and processing of agricultural
16 products; transportation and shipping of agricultural products;
17 or venture capital involving agricultural businesses. Of these
18 eight members, one shall be from the city and county of
19 Honolulu, one shall be from the county of Hawaii, one shall be
20 from the county of Maui, one shall be from the county of Kauai,
21 and four shall be appointed at-large. The director of business,
22 economic development, and tourism; the chairperson of the board



1 of agriculture; and the chairperson of the board of land and
2 natural resources, or their designated representatives, shall be
3 ex-officio, voting members of the board. All members shall
4 continue in office until their respective successors have been
5 appointed and qualified. The board shall annually elect its
6 chairperson from among its members; provided that the
7 chairperson shall not be an ex-officio member."

8 SECTION 4. All acts passed prior to or during this regular
9 session of 2008, whether enacted before or after passage of this
10 Act, shall be interpreted to conform to this Act, unless the
11 acts specifically provide that this Act is being amended.
12 Insofar as this Act is inconsistent with any other law, this Act
13 shall control.

14 SECTION 5. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.


16 SECTION 6. This Act shall take effect upon its approval;
17 provided that the amendment to section 163D-3(b), Hawaii Revised
18 Statutes, requiring at least four members of the board of
19 directors of the agribusiness development corporation have
20 certain specified knowledge, experience, and expertise, shall be
21 effective upon the next appointment and subsequent appointments
22 until the composition of the board complies with this Act.






H.B. NO. 2085


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INTRODUCED BY:







JAN 14 2008



Report Title:
Agribusiness Development Corporation

Description:

Makes the Agribusiness Development Corporation an attached agency of the Department of Business, Economic Development, and Tourism, instead of the Department of Agriculture. Requires DBEDT to provide its expertise to ADC. Requires the composition of the Board of ADC to include certain secondary industries related to agriculture.

