

STAND. COM. REP. NO. 821

Honolulu, Hawaii

MAR 01 2013

RE: S.B. No. 974  
S.D. 2

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 974, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST AGRICULTURAL ENTERPRISES,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the State, subject to ratification of a constitutional amendment, to issue special purpose revenue bonds to assist agricultural enterprises.

Your Committee received written comments in support of this measure from Alexander and Baldwin, Inc.; the Ulupono Initiative; the Land Use Research Foundation of Hawaii; the Hawaii Farm Bureau Federation; and one individual. The State Procurement Office submitted written comments in opposition to this measure. The Department of Budget and Finance submitted written comments on this measure.

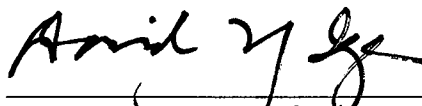
Your Committee finds that special purpose revenue bonds provide the private sector with access to lower interest rate loans than are available in the private financial market. Special purpose revenue bonds for agricultural enterprises will provide important financial support for Hawaii's agricultural operations, including construction and improvements to irrigation systems, roads, utilities, and processing facilities.

Your Committee has amended this measure by:

- (1) Adding a definition for "agricultural enterprise";
- (2) Amending the definition of "project" to include machinery, equipment, furnishings, and apparatus of an agricultural enterprise;
- (3) Adding language to ensure that the interest on special purpose revenue bonds may be eligible for inclusion as gross income for tax credit and tax deferral programs;
- (4) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (5) Making technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 974, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 974, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
\_\_\_\_\_  
DAVID Y. IGE, Chair



The Senate  
Twenty-Seventh Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:
SB974, SD1	AGL, WAM	2-21-13
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
Nay	Excused	
IGE, David Y. (C)	✓	
KIDANI, Michelle N. (VC)	✓	
CHUN OAKLAND, Suzanne	✓	
DELA CRUZ, Donovan M.		✓
ENGLISH, J. Kalani	✓	
ESPERO, Will	✓	
KAHELE, Gilbert	✓	
KEITH-AGARAN, Gilbert S.C.	✓	
KOUCHI, Ronald D.	✓	
RUDERMAN, Russell E.	✓	
THIELEN, Laura H.	✓	
TOKUDA, Jill N.	✓	
SLOM, Sam	✓	
<b>TOTAL</b>	12	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature: <div style="text-align: center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>		
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\*Only one measure per Record of Votes