
A BILL FOR AN ACT

RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST AGRICULTURAL ENTERPRISES.

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

1 SECTION 1. Chapter 39A, part X, Hawaii Revised Statutes,
2 is amended by amending its title to read as follows:

3 "[+]PART X.[+] ASSISTING AGRICULTURAL ENTERPRISES [~~SERVING~~
4 ~~IMPORTANT AGRICULTURAL LANDS~~]"

5 SECTION 2. Section 39A-311, Hawaii Revised Statutes, is
6 amended as follows:

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

9 "Project" means any combination of land, buildings, and
10 other improvements thereon, including without limitation
11 irrigation systems and infrastructure, for use of, or for, or to
12 assist an agricultural enterprise [~~serving important~~
13 ~~agricultural lands~~], including without limiting the generality
14 of the foregoing, machinery, equipment, furnishings, and
15 apparatus that are deemed necessary, suitable, or useful to the
16 enterprise.



1 "Project agreement" means any agreement entered into under
2 this part by the department with a project party to finance,
3 construct, operate, or maintain a project from the proceeds of
4 special purpose revenue bonds, or to lend the proceeds of
5 special purpose revenue bonds to assist an agricultural
6 enterprise [~~servicing important agricultural lands~~], including
7 without limitation any loan agreement.

8 "Project party" means a person, firm, or corporation
9 qualified to do business in this State and conducting or
10 proposing to conduct an agricultural enterprise [~~servicing~~
11 ~~important agricultural lands~~]."

12 2. By deleting the definition of "important agricultural
13 lands":

14 [~~"Important agricultural lands" means those lands~~
15 ~~designated as such pursuant to part III of chapter 205."~~]

16 SECTION 3. Section 39A-312, Hawaii Revised Statutes, is
17 amended by amending its title to read as follows:

18 "[+]§39A-312[+] Department powers as to agricultural
19 enterprises [~~servicing important agricultural lands~~]."

20 SECTION 4. Section 39A-316, Hawaii Revised Statutes, is
21 amended to read as follows:



1 " [†]§39A-316[†] **Issuance of special purpose revenue bonds**
2 **to finance projects.** In addition to the other powers that it
3 may otherwise have, the department may issue special purpose
4 revenue bonds to finance or refinance, in whole or in part, the
5 costs of facilities of, or for, or to loan the proceeds of the
6 bonds to assist project parties. All revenue bonds issued under
7 this part are special purpose revenue bonds and the provisions
8 of part III of chapter 39 shall not apply thereto. All special
9 purpose revenue bonds shall be issued in the name of the
10 department and not in the name of the State.

11 In determining the cost of any project, the department may
12 also include the following:

- 13 (1) Financing charges, fees, and expenses of any trustee
14 and paying agents for special purpose revenue bonds
15 issued to pay the cost of the project;
- 16 (2) Interest on the bonds and the expenses of the State in
17 connection with the bonds and the project to be
18 financed from the proceeds of the bonds accruing or
19 incurred prior to and during the estimated period of
20 construction and for the period not exceeding twelve
21 months thereafter;



- 1 (3) Amounts necessary to establish or increase reserves
2 for the special purpose revenue bonds;
- 3 (4) The cost of plans, specifications, studies, surveys,
4 and estimates of costs and of revenues;
- 5 (5) Other expenses incidental to determining the
6 feasibility or practicability of the project;
- 7 (6) Administration expenses;
- 8 (7) Legal, accounting, consulting, and other special
9 service fees;
- 10 (8) Interest cost incurred by the project party with
11 respect to the project prior to the issuance of the
12 special purpose revenue bonds; and
- 13 (9) Other costs, commissions, and expenses incidental to
14 the construction, acquisition, reconstruction,
15 renovation, rehabilitation, improvement, betterment,
16 operation, maintenance, or extension of the project,
17 the financing or refinancing thereof, placing of same
18 in operation, and the issuance of the special purpose
19 revenue bonds, whether incurred prior to or after the
20 issuance of the bonds.

21 The legislature finds and determines that the exercise of
22 the powers vested in the department by this part constitutes



1 assistance to an agricultural enterprise [~~serving important~~
2 ~~agricultural lands~~] and that the issuance of special purpose
3 revenue bonds to finance facilities of, or for, or to loan the
4 proceeds of the bonds to assist project parties is in the public
5 interest."

6 SECTION 5. Statutory material to be repealed is bracketed
7 and stricken.

8 SECTION 6. This Act shall take effect on July 1, 2030, and
9 upon the ratification of constitutional amendments authorizing
10 the State to issue special purpose revenue bonds and to use the
11 proceeds from the bonds to assist agricultural enterprises.



Report Title:

Special Purpose Revenue Bonds; Agricultural Enterprises

Description:

Authorizes the State to issue special purpose revenue bonds for all agricultural enterprises in the State, rather than only agricultural enterprises serving important agricultural lands. Contingent upon ratification of constitutional amendment authorizing the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist agricultural enterprises. Effective July 1, 2030, and upon voter ratification. (SD1)

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

