

JAN 17 2014

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 State's
2 overreliance on imported foods has threatened the State's food
3 sustainability and economy. Nearly eighty-five per cent of the
4 food consumed in the State is imported.

5 The legislature further recognizes the importance of local
6 food production and has made investments into ensuring that
7 local agriculture has necessary resources, such as access and
8 leases to land, infrastructure, and water. Per article XI,
9 section 3, of the Constitution of the State of Hawaii, the State
10 shall conserve and protect agricultural lands, promote
11 diversified agriculture, increase agricultural self-sufficiency,
12 and assure the availability of agricultural suitable lands. The
13 State has and continues to purchase fallow agricultural lands;
14 however, funding resources are limited.

15 The purpose of this Act is to give preference to moneys
16 deposited in the agricultural development and food security
17 special fund from the environmental response, energy, and food
18 security tax for the acquisition of real property for



1 agricultural production and increase the allocation of the
2 barrel tax to the agricultural development and food security
3 special fund.

4 SECTION 2. Section 141-10, Hawaii Revised Statutes, is
5 amended by amending subsection (c) to read as follows:

6 "(c) Subject to legislative appropriation, moneys in the
7 special fund may be expended for the following purposes:

8 (1) The awarding of grants to farmers for agricultural
9 production or processing activity;

10 (2) The acquisition of real property for agricultural
11 production or processing activity; provided that the
12 acquisition of real property for agricultural
13 production or processing activity shall be given
14 preference with any moneys deposited into the special
15 fund as the portion of the environmental response,
16 energy, and food security tax specified under section
17 243-3.5;

18 (3) The improvement of real property, dams, reservoirs,
19 irrigation systems, and transportation networks
20 necessary to promote agricultural production or
21 processing activity, including investigative studies
22 to identify and assess necessary improvements to dams,



- 1 reservoirs, irrigation systems, and transportation
- 2 networks;
- 3 (4) The purchase of equipment necessary for agricultural
- 4 production or processing activity;
- 5 (5) The conduct of research on and testing of agricultural
- 6 products and markets;
- 7 (6) The funding of agricultural inspector positions within
- 8 the department of agriculture;
- 9 (7) The promotion and marketing of agricultural products
- 10 grown or raised in the State;
- 11 (8) Water quality testing and improvement; and
- 12 (9) Any other activity intended to increase agricultural
- 13 production or processing that may lead to reduced
- 14 importation of food, fodder, or feed from outside the
- 15 State."

16 SECTION 3. Section 243-3.5, Hawaii Revised Statutes, is
17 amended by amending subsection (a) to read as follows:

18 "(a) In addition to any other taxes provided by law,
19 subject to the exemptions set forth in section 243-7, there is
20 hereby imposed a state environmental response, energy, and food
21 security tax on each barrel or fractional part of a barrel of
22 petroleum product sold by a distributor to any retail dealer or



1 end user of petroleum product, other than a refiner. The tax
2 shall be \$1.05 on each barrel or fractional part of a barrel of
3 petroleum product that is not aviation fuel; provided that of
4 the tax collected pursuant to this subsection:

5 (1) 5 cents of the tax on each barrel shall be deposited
6 into the environmental response revolving fund
7 established under section 128D-2;

8 (2) 15 cents of the tax on each barrel shall be deposited
9 into the energy security special fund established
10 under section 201-12.8;

11 (3) 10 cents of the tax on each barrel shall be deposited
12 into the energy systems development special fund
13 established under section 304A-2169; and

14 (4) [~~15~~] 20 cents of the tax on each barrel shall be
15 deposited into the agricultural development and food
16 security special fund established under section
17 141-10.

18 The tax imposed by this subsection shall be paid by the
19 distributor of the petroleum product."

20 SECTION 4. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.

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1 SECTION 5. This Act shall take effect on July 1, 2014.

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INTRODUCED BY:

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S.B. NO. 2435

Report Title:

Agricultural Development and Food Security Fund; Barrel Tax

Description:

Gives preference to moneys deposited in the agricultural development and food security special fund from the environmental response, energy, and food security tax for the acquisition of real property for agricultural production. Increases the allocation of the environmental response, energy, and food security tax to the agricultural development and food security special fund.

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