

JAN 17 2014

A BILL FOR AN ACT

RELATING TO AGRICULTURE INNOVATION.

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

1 SECTION 1. The legislature finds that Hawaii is in need of
2 a more robust agricultural industry. By supporting and
3 nurturing agricultural innovation, the State will be able to
4 develop a more significant food-focused agricultural industry in
5 Hawaii by supporting community dialogue around agricultural
6 innovation and awarding financial resources to businesses, which
7 will, among other things, help facilitate the arrival of new
8 technology to market to further the State's food self-
9 sufficiency goals.

10 Accordingly, the purpose of this Act is to establish an
11 innovation grant program for agricultural innovation.

12 SECTION 2. Chapter 206M, Hawaii Revised Statutes, is
13 amended by adding a new part to be appropriately designated and
14 to read as follows:

15 "PART . AGRICULTURE INNOVATION GRANT PROGRAM

16 §206M-A Agriculture innovation grant program;
17 establishment. There is established the agriculture innovation
18 grant program within the department of business, economic



1 development, and tourism to fund agribusiness incubator programs
2 for the support of start-up agricultural businesses developing
3 innovations for feed production, food waste recycling, on-farm
4 energy efficiency, and soil health and conservation. The
5 agriculture innovation grant program shall be administered and
6 implemented by the development corporation.

7 **§206M-B Agriculture innovation grant program;**
8 **applications; awards; rules.** (a) Each application for an
9 agriculture innovation grant shall show an agribusiness
10 incubator program's capacity to mentor and develop start-up
11 agricultural businesses focused on feed production, food waste
12 recycling, on-farm energy efficiency, and soil health and
13 conservation. Institutions of higher education, nonprofit
14 organizations, and any firm, partnership, corporation, or
15 governmental body or public agency is eligible to apply for an
16 agriculture innovation grant.

17 (b) The board, in consultation with experts familiar with
18 the State's agricultural industry, shall accept and evaluate
19 agriculture innovation grant applications, considering each
20 applicant's demonstrated ability to provide start-up
21 agricultural businesses with:



- 1 (1) Assistance from experts in bringing technologies to
 - 2 market, ideally in the form of a large mentor network
 - 3 and local, well-connected, and experienced staff;
 - 4 (2) Dedicated mentorship where experienced, successful
 - 5 start-up leaders are paired with leaders whose
 - 6 companies are in the early stages of agricultural
 - 7 technology commercialization;
 - 8 (3) Early vetting and refinement of business models;
 - 9 (4) Intensive introductory programs for both seed- and
 - 10 growth-stage companies;
 - 11 (5) Customized training from experts in several areas,
 - 12 including customer development, pitching, intellectual
 - 13 property, financial projections, valuation, fund-
 - 14 raising, and team-building; and
 - 15 (6) Connections to strategic partners both within and
 - 16 outside of the State.
- 17 Applications that show evidence of demonstration funding, cost
- 18 share, or additional funds already secured shall receive more
- 19 favorable consideration. Such applications shall provide the
- 20 source, amount, timing, and degree of certainty for any funds
- 21 secured outside of the agriculture innovation grant.



1 (c) Agriculture innovation grants shall be awarded by the
2 board subject to available funds in the agriculture innovation
3 grant fund established under section 206M-C.

4 (d) An applicant who receives an agriculture innovation
5 grant may apply to renew the grant. Applications for renewal
6 shall include a report detailing the success of the agribusiness
7 incubator program.

8 (e) The board shall adopt rules pursuant to chapter 91 to:

9 (1) Specify an application procedure and timeline for the
10 agriculture innovation grant program;

11 (2) Develop a procedure by which to rate applications and
12 award agriculture innovation grants; and

13 (3) Adopt methods by which to measure the success of each
14 awardee in fulfilling the purpose for which the
15 agriculture innovation grant was awarded, including,
16 as appropriate:

17 (A) The amount and source of follow-on funding;

18 (B) The amount of revenue earned by start-up
19 agricultural businesses supported by the
20 agribusiness incubator program;

21 (C) Job creation resulting from the agribusiness
22 incubator program;



1 (D) The amount of product grown or sold by volume by
2 start-up agricultural businesses supported by the
3 agribusiness incubator program; and

4 (E) The sustainability of start-up agricultural
5 businesses supported by the agribusiness
6 incubator program.

7 **§206M-C Agriculture innovation grant fund.** (a) There is
8 created within the state treasury the agriculture innovation
9 grant fund for the agriculture innovation grant program
10 established under section 206M-A.

11 (b) Deposits into the fund may include appropriations to
12 the fund by the legislature and gifts, grants, or donations from
13 public or private sources. Moneys in the fund may be used for
14 direct and indirect costs associated with the agriculture
15 innovation grant program; provided that no more than one per
16 cent of the total amount of moneys annually appropriated from
17 the fund shall be used to offset administrative costs incurred
18 by the board to implement and sustain the agriculture innovation
19 grant program.

20 **§206M-D Agriculture innovation grant program; reporting.**

21 Following each fiscal year in which the board awards one or more
22 agriculture innovation grants, the board shall submit a report



1 to the legislature describing, at a minimum, the agribusiness
2 incubator programs receiving a grant, the amount awarded to each
3 program, and the results achieved by each program. The report
4 shall be submitted no later than twenty days prior to the
5 convening of the next regular session.

6 SECTION 3. There is appropriated out of the general
7 revenues of the State of Hawaii the sum of \$ or so much
8 thereof as may be necessary for fiscal year 2014-2015 to be
9 deposited into the agriculture innovation grant fund.

10 SECTION 4. There is appropriated out of the agriculture
11 innovation grant fund the sum of \$ or so much thereof as
12 may be necessary for fiscal year 2014-2015 for the purposes of
13 the agriculture innovation grant program.

14 The sum appropriated shall be expended by the department of
15 business, economic development, and tourism for the purposes of
16 this Act.

17 SECTION 5. In codifying the new sections added by section
18 2 of this Act, the revisor of statutes shall substitute
19 appropriate section numbers for the letters used in designating
20 the new sections in this Act.



1 SECTION 6. This Act shall take effect on July 1, 2014.

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S.B. NO. 2567

Report Title:

Agriculture Innovation; Grant Program; Appropriation

Description:

Establishes an Agriculture Innovation Grant Program to fund agribusiness incubator programs to support start-up businesses in Hawaii focused on feed production, food waste recycling, on-farm energy efficiency, and soil health and conservation. Effective July 1, 2014.

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

