

Honolulu, Hawaii
February 4, 2014

RE: H.B. No. 748
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 748 entitled:

"A BILL FOR AN ACT PROPOSING AN AMENDMENT TO THE HAWAII CONSTITUTION TO AUTHORIZE THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST AGRICULTURAL ENTERPRISES,"

begs leave to report as follows:

The purpose of this measure is to amend Article VII, Section 12 of the Hawaii State Constitution to authorize the issuance of special purpose revenue bonds (SPRBs) for agricultural enterprises on any agricultural land as opposed to limiting the issuance of SPRBs to agricultural enterprises on important agricultural lands.

The Hawaii Aquaculture & Aquaponics Association; Alexander & Baldwin, Inc.; Hawaii Cattlemen's Council, Inc.; Hawaii Farm Bureau Federation; Hawaii Farmers Union United; Land Use Research Foundation of Hawaii; Local Food Coalition; and a concerned individual testified in support of the measure. The Department of Agriculture, Department of Budget and Finance, Babes Against Biotech, and a member of the public provided comments.

Your Committee heard concerns that this measure lacked detail on whether SPRBs might be issued to support genetically modified crops or projects relating to fostering food security. Your Committee notes that the statutory framework of SPRBs for agricultural enterprises is being addressed in House Bill No. 737, H.D. 1, which is pending in another committee. Your Committee

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believes that it is more suitable to address these concerns statutorily through a vehicle such as House Bill No. 737, H.D. 1.

Your Committee notes that this measure is intended to authorize the issuance of SPBRs to assist both for-profit and not-for-profit agricultural enterprises.

After careful consideration, your Committee has amended this measure by:

- (1) Clarifying that SPRBs may be authorized to finance facilities of or for, or to loan the proceeds of such bonds to assist, agricultural enterprises on any type of agricultural lands;
- (2) Clarifying that the State may issue SPRBs to assist agricultural enterprises;
- (3) Amending the constitutional question for clarity; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 748, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 748, H.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



