

# H.B. NO. 2211

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## A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1           SECTION 1. Chapter 163D, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4           "§163D- Grants. (a) There is established in the  
5 agribusiness development corporation a grant program to be  
6 administered by the corporation to provide financial support for  
7 agriculture-related improvements to existing and emerging farms  
8 and agribusiness operations.

9           (b) Applications for grants by qualified persons shall  
10 include the name of the requesting organization or individual;  
11 the public purpose for the grant; the service to be supported by  
12 the grant; the target group; and the cost of the grant and the  
13 budget. Applications shall be filed with accompanying  
14 documentation of project cost as may be required by the  
15 corporation for projects developed within the immediately  
16 preceding fiscal quarter and shall represent reasonable  
17 projections of project costs for the period in which the project  
18 is anticipated to commence provided that the applicant shall:

H.B. NO. 2271

- 1        (1) Comply with applicable federal and state laws  
2                prohibiting discrimination against any person on the  
3                basis of race, color, national origin, religion,  
4                creed, sex, age, sexual orientation, or disability;
- 5        (2) Have applied for or received all applicable licenses  
6                or permits;
- 7        (3) Indemnify and save harmless the State of Hawaii and  
8                its officers, agents, and employees from and against  
9                any and all claims arising out of or resulting from  
10                activities carried out or projects undertaken with  
11                funds provided hereunder, and procure sufficient  
12                insurance to provide this indemnification if requested  
13                to do so by the corporation; and
- 14        (4) Implement any of the following:
- 15                (A) Agriculture-related projects on an existing farm  
16                or agribusiness operation;
- 17                (B) Plans to modernize or expand an existing farm or  
18                agribusiness operation;
- 19                (C) Agriculture-related equipment modification or  
20                replacement;
- 21                (D) Programs designed to develop new markets or  
22                products; or

H. B. NO. 2271

1 (E) Farmer and agriculture-related advisory,  
2 consultative, training, and educational services,  
3 technical assistance, and advice to any person,  
4 partnership, or corporation either public or  
5 private.


6 (c) Upon award of a grant under this section, the  
7 applicant shall submit quarterly reports to the corporation of  
8 expenditures made during the quarter, and in the aggregate.  
9 Quarterly reports shall identify the particular project cost  
10 expended and shall be submitted at the end of each of the  
11 applicant's fiscal quarter.

12 (d) Funds shall be disbursed within ninety days after  
13 approval by the corporation to the qualified person for the  
14 project costs.

15 (e) The grant may not exceed a total of \$ \_\_\_\_\_ per  
16 qualified person per year."

17 SECTION 2. New statutory material is underscored.

18 SECTION 3. This Act shall take effect upon its approval.

19  
20 INTRODUCED BY: 

21 BY REQUEST  
JAN 25 2016

H.B. NO. 2271

**Report Title:**

Agribusiness Development Corporation; Grants

**Description:**

Establishes a grant program within chapter 163D, Hawaii Revised Statutes.

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

JUSTIFICATION SHEET

DEPARTMENT: Agribusiness Development Corporation

TITLE: A BILL FOR AN ACT RELATING TO AGRICULTURE.

PURPOSE: To establish a grant program to provide financial support for agriculture-related improvements to existing and emerging farms and agribusiness operations.

MEANS: Add a new section to chapter 163D, Hawaii Revised Statutes.

JUSTIFICATION: The Agribusiness Development Corporation (ADC) is an agency attached to the Hawaii Department of Agriculture established to do the following:

1. Facilitate and provide direction for the transition of Hawaii's agriculture industry from a dominance of sugar and pineapple to one composed of a diversity of different crops;
2. Acquire, and manage in partnership with farmers, ranchers, and aquaculture groups, selected high-value lands, water systems, and infrastructure for commercial agricultural use and direct research into areas that will lead to the development of new crops, markets, and lower production costs to:
  - (A) Make optimal use of agricultural assets for the economic, environmental, and social benefit of the people of Hawaii;
  - (B) Administer an aggressive and dynamic agribusiness development program;

- (C) Coordinate and administer programs to assist agricultural enterprises to facilitate the transition of agricultural infrastructure from plantation operations into agricultural enterprises;
- (D) Carry on the marketing analysis to direct agricultural industry evolution; and
- (E) Provide the leadership for the development, financing, improvement, or enhancement of agricultural enterprises; and

3. Provide solutions to certain bottleneck issues facing the agricultural industry.

ADC is the state agency tasked with transitioning former plantation land and water systems for diversified agriculture.

The proposed amendment would allow the corporation to expend grants to carry out its mission.

Giving ADC the ability to issue grants may help existing farms and agribusiness operations facilitate agriculture-related improvements such as modernizing existing agricultural operations, equipment modernization and/or replacement, expanding or scaling-up farm/agribusiness operations, developing new markets and products, and provide technical training and educational services.

Impacts on the public: Provide ADC with the ability to make investments to strengthen and diversify Hawaii's agricultural industry, attract and retain

agriculture-related businesses, and assist local farming operations.

Impact on the department and other agencies:

In addition to providing ADC with another tool to assist the agriculture industry, the ability to issue grants may help foster partnerships to facilitate projects.

GENERAL FUNDS: None.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: AGR 161.

OTHER AFFECTED  
AGENCIES: None.

EFFECTIVE DATE: Upon approval.