
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, for farmers and
2 ranchers to remain competitive and self-sustaining, the State
3 must provide incentives and mechanisms to ensure that all means
4 of supporting the local agricultural industry are implemented.
5 The public utilities commission regulates the rates charged by
6 public utilities that provide essential services to the
7 agriculture industry such as water, interisland shipping, and
8 electricity.

9 The purpose of this Act is to provide for preferential
10 rates for certain public utility services provided to ratepayers
11 engaged in agricultural activities.

12 SECTION 2. Section 269-26.5, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "~~+~~§269-26.5~~+~~ **Preferential [water] rates for**
15 **agricultural activities.** (a) It is the policy of the State to
16 promote the long-term viability of agriculture by establishing
17 mechanisms that provide for preferential rates for [~~potable~~



1 ~~water for~~ public utility services that are provided to
2 ratepayers that engage in agricultural activities. The public
3 utilities commission [~~shall have the authority to~~] may establish
4 preferential rates for [~~potable water~~] water, electricity, and
5 freight transport services that are used by ratepayers for
6 agricultural activities in a public utility's service area.

7 (b) Upon receipt of a bona fide request for preferential
8 rates for [~~potable water~~] public utility services to be used for
9 agricultural activities[~~7~~] on lands within an agricultural
10 district, and proof that the customer engages in agricultural
11 activities[~~7~~] on lands within an agricultural district, a public
12 utility shall provide proposed preferential rates for [~~potable~~
13 ~~water~~] the requested public utility service for water,
14 electricity, or freight transport, and to be used only for
15 qualified agricultural activities to the public utilities
16 commission for approval. All [~~such~~] rates approved by the
17 public utilities commission pursuant to this section shall be
18 subsidized by the [~~potable water~~] rates charged to other
19 customers of the public utility, if required, as determined by
20 the public utilities commission. In reviewing the proposed
21 preferential rates, the public utilities commission, in



1 consultation with the department of agriculture, may establish
2 additional criteria to qualify bona fide agribusinesses for
3 ~~[water]~~ public utility services used solely for agricultural
4 activities. ~~[For rate cases initiated pursuant to this section,~~
5 ~~the public utilities commission shall allow the recovery of any~~
6 ~~reasonable unamortized costs incurred by the public utility in~~
7 ~~its previous rate case, provided however, upon full amortization~~
8 ~~of these costs, rates shall be adjusted accordingly.]"~~

9 SECTION 3. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 4. This Act shall take effect upon its approval.



Report Title:

Agriculture; Rates; Public Utilities

Description:

Directs public utilities to establish certain discounted utility rates for water, electricity, and freight transport for agricultural activities. (HB501 HD1)

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

