
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~~
18 ~~water for~~ public utility services that are provided to



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

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



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

9 SECTION 3. The public utilities commission shall define
10 "qualified agricultural activities" and "bona fide
11 agribusinesses" for the purposes of section 269-26.5, Hawaii
12 Revised Statutes, to ensure that preferential rates for water,
13 electricity, and freight transport services are offered only to
14 ratepayers who are actively, substantially, and gainfully using
15 land within an agricultural district in agricultural production,
16 including crop, livestock, and aquaculture.

17 SECTION 4. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 5. This Act shall take effect on July 1, 2050.



Report Title:

Agriculture; Water, Electricity, and Freight Transport
Preferential Rates; Public Utilities

Description:

Allows public utilities to establish certain discounted utility rates for water, electricity, and freight transport for agricultural activities, subject to PUC approval. Requires the PUC to define "qualified agricultural activities" and "bona fide agribusinesses". Takes effect 7/1/2050. (SD1)

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

