

STAND. COM. REP. NO. 2970

Honolulu, Hawaii

MAR 22 2016

RE: H.B. No. 2029  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Water, Land, and Agriculture, to which was referred H.B. No. 2029, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO WATER INFRASTRUCTURE LOANS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the Hawaii Water Infrastructure Authority;
- (2) Establish a Hawaii Water Infrastructure Loan Program under the Hawaii Water Infrastructure Authority, within the Department of Land and Natural Resources, to make loans for water infrastructure development, repair, and maintenance; and
- (3) Establish and appropriate funds to the Hawaii water infrastructure special fund.

Your Committee received testimony in support of this measure from the Department of Agriculture, Land Use Research Foundation of Hawaii, Hawai'i Green Growth, Hawaii Fresh Water Council, and Hawai'i Farm Bureau. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources and Aha Moku Advisory Committee. Your Committee received comments on this measure from the State Procurement Office, Department of Budget and Finance, Department of the Attorney General, and Department of Health.

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Your Committee finds that irrigation infrastructure is the backbone of Hawaii's agricultural industry and it is critical to ensure the viability of these systems as the State continues toward its food security goals. Many of these systems are aging and are in need of significant improvements to modernize their collection and delivery systems and increase storage and reduce water losses and maintenance costs. Funds are necessary to help extend the life of these systems and to continue to move Hawaii toward a more sustainable future.

Your Committee has heard the testimony of the Departments of Land and Natural Resources and Agriculture and believes that the Water Infrastructure Loan Program should be administered within the Department of Agriculture's Agricultural Loan Program and not under the Department of Land and Natural Resources' Commission on Water Resource Management.

Your Committee has amended this measure by:

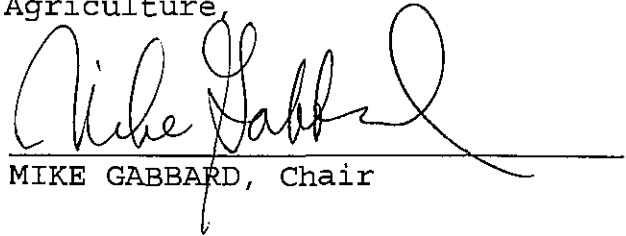
- (1) Moving the proposed new part from chapter 174C, Hawaii Revised Statutes, the State Water Code, to chapter 155, Hawaii Revised Statutes, relating to agricultural loans;
- (2) Deleting language that would have established the Hawaii Water Infrastructure Authority;
- (3) Replacing references to the Hawaii Water Infrastructure Authority with the Department of Agriculture;
- (4) Replacing references to the Department and Board of Land and Natural Resources with the Department and Board of Agriculture, respectively;
- (5) Deleting unnecessary definitions;
- (6) Amending the powers of the Department of Agriculture with regard to the Hawaii water infrastructure loan program;
- (7) Deleting language that would have required the submission of an annual plan with a projected operational budget for a subsequent fiscal year;



- (8) Deleting the exemption from section 37-53, Hawaii Revised Statutes, for the Hawaii water infrastructure special fund;
- (9) Deleting the exemption from state and county taxes for amounts in the Hawaii water infrastructure special fund;
- (10) Removing the appropriations to the counties;
- (11) Inserting an effective date of July 1, 2016; and
- (12) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2029, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2029, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Water, Land, and  
Agriculture

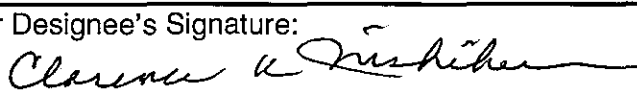


MIKE GABBARD, Chair



The Senate  
 Twenty-Eighth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Water, Land, and Agriculture**  
**WLA**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2029, HD1	WLA, WAM	3/14/16		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	/			
NISHIHARA, Clarence K. (VC)	/			
DELA CRUZ, Donovan M.				/
RIVIERE, Gil	/			
RUDERMAN, Russell E.				/
SHIMABUKURO, Maile S.L.	/			
THIELEN, Laura H.				/
WAKAI, Glenn	/			
SLOM, Sam				/
<b>TOTAL</b>	5			4
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes