

Honolulu, Hawaii

February 12, 2015

RE: H.B. No. 502

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Sir:

Your Committee on Agriculture, to which was referred H.B. No. 502 entitled:

"A BILL FOR AN ACT RELATING TO IRRIGATION,"

begs leave to report as follows:

The purpose of this measure is to provide additional funding for needed improvements to irrigation systems throughout the State by authorizing the issuance of general obligation bonds and appropriating proceeds therefrom to the Department of Agriculture for that purpose.

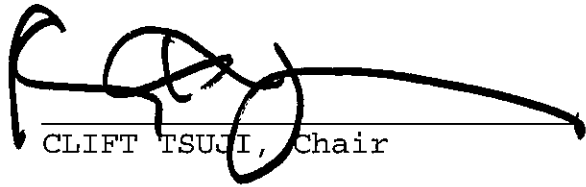
The Hawaii Farm Bureau Federation, Hawaii Cattlemen's Council, Hawaii Farmers Union United, HARC, and Kauai County Farm Bureau supported this measure. The Department of Agriculture and the Hawaii Crop Improvement Association supported the intent of this measure. The Department of Budget and Finance submitted comments.

Your Committee notes that the Department of Budget and Finance in its testimony commented that federal tax law requires, among other things, that tax-exempt general obligation bond proceeds be used to finance projects that serve governmental public purposes. If private entities derive a benefit from the improvements made to the irrigation systems, tax-exempt general obligation bonds cannot be used to finance the improvements. The issuance of taxable general obligation bonds at a higher cost may be necessary to allow the Department of Agriculture to provide financing assistance to private entities.



As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 502 and recommends that it pass Second Reading and be referred to the Committee on Water & Land.

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

  
\_\_\_\_\_  
CLIFT TSUJI, Chair



State of Hawaii  
House of Representatives  
The Twenty-eighth Legislature

HSCR 172

**Record of Votes of the Committee on Agriculture**

Bill/Resolution No.: <b>HB 502</b>	Committee Referral: <b>AGR, WAL, FIN</b>	Date: <b>2/10/2015</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
AGR Members	Ayes	Ayes (WR)	Nays	Excused
1. TSUJI, Clift (C)	/			
2. ONISHI, Richard H.K. (VC)	/			
3. BROWER, Tom				/
4. CACHOLA, Romy M.	/			
5. CHOY, Isaac W.	/			
6. ITO, Ken				/
7. KAWAKAMI, Derek S.K.	/			
8. KONG, Sam Satoru	/			
9. OHNO, Takashi	/			
10. TOKIOKA, James Kunane	/			
11. WOODSON, Justin H.	/			
12. MATSUMOTO, Lauren Kealohilani	/			
13. WARD, Gene	/			
<b>TOTAL (13)</b>	<b>11</b>			<b>2</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____				
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