



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

July 10, 2017

GOV. MSG. NO. 1217

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Ninth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Twenty-Ninth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on July 10, 2017, the following bill was signed into law:

HB1230 HD1 SD2

RELATING TO THE ISSUANCE OF SPECIAL
PURPOSE REVENUE BONDS TO ASSIST
MAUIGROWN COFFEE, INC.
ACT 116 (17)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST MAUIGROWN COFFEE, INC.

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

1 SECTION 1. The legislature finds that state support for
2 local agriculture serves the public interest. Hawaii's coffee
3 industry has become a successful agricultural sector and an
4 important economic driver for the State. After oil, coffee is
5 the second-most traded consumer commodity in the world; the
6 global market for Hawaii-grown coffee has increased
7 exponentially over the last several years.

8 MauiGrown Coffee, Inc. has achieved commercial success with
9 its limited operations in west Maui and now has the opportunity
10 to expand through leasing lands formerly used to cultivate sugar
11 cane by Hawaiian Commercial & Sugar Company in the Haliimaile
12 area. The legislature finds that the planned expansion of
13 MauiGrown Coffee, Inc.'s operations will create opportunities
14 for well-paying agricultural jobs for displaced sugar industry
15 workers under a collective bargaining agreement. These jobs



1 will help lift the prevailing wages in the agricultural sector
2 and increase the State's revenue collections.

3 The legislature further finds that the consolidated lease
4 of large tracts of land to a single entity, as opposed to a
5 series of fragmented leases to multiple cottage producers, will
6 allow for the application of uniform land management and pest-
7 control programs, which will assist with the eradication of
8 pests such as the invasive coffee berry borer beetle.

9 The legislature finds that MauiGrown Coffee, Inc.'s planned
10 expansion and operation constitute a project under part X of
11 chapter 39A, Hawaii Revised Statutes, assisting agricultural
12 enterprises, and is therefore eligible for assistance through
13 special purpose revenue bonds.

14 The legislature finds and declares that the issuance of
15 special purpose revenue bonds under this Act is in the public
16 interest and for the public health, safety, and general welfare.

17 The purpose of this Act is to authorize the issuance of
18 special purpose revenue bonds to assist MauiGrown Coffee, Inc.
19 with the expansion of its operations.

20 SECTION 2. Pursuant to part X, chapter 39A, Hawaii Revised
21 Statutes, the department of budget and finance, with the



1 approval of the governor, is authorized to issue special purpose
2 revenue bonds in a total amount not to exceed \$13,000,000, in
3 one or more series, for the purpose of assisting MauiGrown
4 Coffee, Inc., a Hawaii corporation, with the expanded operation
5 of its coffee farm and mill in Puukolii, Maui. The legislature
6 hereby finds and determines that this expansion constitutes a
7 project as defined in part X, chapter 39A, Hawaii Revised
8 Statutes, and the financing thereof is assistance to
9 agricultural enterprise.

10 SECTION 3. The special purpose revenue bonds and the
11 refunding special purpose revenue bonds issued under this Act
12 shall be issued pursuant to part X, chapter 39A, Hawaii Revised
13 Statutes, relating to the power to issue special purpose revenue
14 bonds to assist agricultural enterprises.

15 SECTION 4. The department of budget and finance is
16 authorized, from time to time, including times subsequent to
17 June 30, 2022, to issue special purpose revenue bonds in
18 whatever principal amounts the department shall determine to be
19 necessary to refund the special purpose revenue bonds authorized
20 in section 2 and to refund special purpose revenue bonds
21 authorized in this section, regardless of whether the

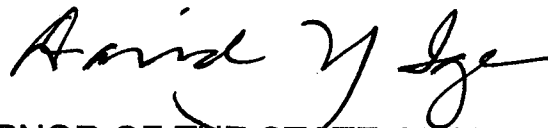


1 outstanding special purpose revenue bonds or refunding special
2 purpose revenue bonds have matured or are the subject of
3 redemption or whether the refunding special purpose revenue
4 bonds shall be bonds for the multi-project programs described in
5 section 2. In making this determination, the department shall
6 comply with federal law relating to the exemption from federal
7 income taxation of the interest on bonds of the nature
8 authorized by this section.

9 SECTION 5. The authorization to issue special purpose
10 revenue bonds under this Act shall lapse on June 30, 2022.

11 SECTION 6. This Act shall take effect on July 1, 2017.

APPROVED this 10 day of JUL , 2017



GOVERNOR OF THE STATE OF HAWAII



HB No. 1230, HD 1, SD 2

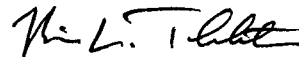
THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 2, 2017
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2017.



Joseph M. Souki
Speaker
House of Representatives




Brian L. Takeshita
Chief Clerk
House of Representatives


H.B. No. 1230, H.D. 1, S.D. 2

THE SENATE OF THE STATE OF HAWAII

Date: April 7, 2017
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Third Reading in the Senate of the Twenty-ninth Legislature of the State of Hawaii, Regular Session of 2017.


President of the Senate


Clerk of the Senate