
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 Hawaii 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 borer beetle.

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

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

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

19 SECTION 2. Pursuant to part X, chapter 39A, Hawaii Revised
20 Statutes, the department of budget and finance, with the
21 approval of the governor, is authorized to issue special purpose



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

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

14 SECTION 4. The department of budget and finance is
15 authorized, from time to time, including times subsequent to
16 June 30, 2020, to issue special purpose revenue bonds in
17 whatever principal amounts the department shall determine to be
18 necessary to refund the special purpose revenue bonds authorized
19 in section 2 and to refund special purpose revenue bonds
20 authorized in this section, regardless of whether the
21 outstanding special purpose revenue bonds or refunding special



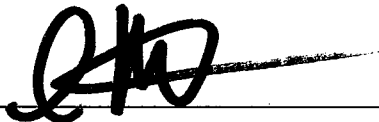
1 purpose revenue bonds have matured or are the subject of
 2 redemption or whether the refunding special purpose revenue
 3 bonds shall be bonds for the multi-project programs described in
 4 section 2. In making this determination, the department shall
 5 comply with federal law relating to the exemption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

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

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

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INTRODUCED BY:



Rochel Lyons
Lyne DuCote
 JAN 24 2017



H.B. NO. 1230

Report Title:

Special Purpose Revenue Bonds; Maui; Coffee

Description:

Authorizes the issuance of special purpose revenue bonds to assist MauiGrown Coffee, Inc. with the operation and expansion of its farm and mill.

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

