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# 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 Puukoolii, 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, 2020, 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.

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**Report Title:**

Special Purpose Revenue Bonds; Maui; MauiGrown Coffee, Inc.

**Description:**

Authorizes the issuance of special purpose revenue bonds to assist MauiGrown Coffee, Inc. with the operation and expansion of its farm and mill. (SD1)

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

