



GOV. MSG. NO 895

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

July 8, 2008

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fourth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

I am transmitting herewith HB2085 HD1 SD2, without my approval, and with the statement of objections relating to the measure.

HB2085 HD1 SD2

A BILL FOR AN ACT RELATING TO THE
AGRIBUSINESS DEVELOPMENT CORPORATION.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE

EXECUTIVE CHAMBERS

HONOLULU

July 8, 2008

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 2085

Honorable Members
Twenty-Fourth Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 2085, entitled "A Bill for an Act Relating to the Agribusiness Development Corporation."

The stated purpose of this bill is to add additional requirements on who can be appointed members of the Agribusiness Development Corporation's board of directors and requires the Agribusiness Development Corporation to submit another plan to the Legislature before the 2009 regular session.

Micromanaging who can become board members of the Agribusiness Development Corporation would decrease the availability of persons able to serve, which, in turn, could jeopardize the filling of the seats on the board and the corporation's ability to meet its quorum requirements. There has been no evidence that current board members have not adequately represented agricultural interests in the community. Further, adding members with a distribution or transportation focus could divert the Agribusiness Development Corporation from its primary role of maintaining water and land resources for agriculture.

The requirement of the additional legislative report is not necessary. The 2007 Legislative Reference Bureau report entitled, "Agribusiness Development Corporation: Revisited," stated that there have been numerous studies and plans regarding

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HOUSE BILL NO. 2085
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agribusiness over the years. The report found that the focus of the Agribusiness Development Corporation should be the implementation of existing plans rather than the formulation of yet another plan. The Agribusiness Development Corporation's latest plan focuses on the transition of former plantation lands and water systems to those that will better support diversified agriculture and the development of facilities for diversified agriculture. The latest plan is consistent with the corporation's mission. The development of yet another plan will not further achieve the corporation's mission and will divert the time and talents of its small staff.

Finally, I would note the unanimous objections of the agricultural community to the content of this bill. Out of respect for and appreciation of their understanding of the real needs of the agricultural sector, this bill should not become law.

For the foregoing reasons, I am returning House Bill No. 2085 without my approval.

Respectfully,



LINDA LINGLE
Governor of Hawaii

VETO

HOUSE OF REPRESENTATIVES
TWENTY-FOURTH LEGISLATURE, 2008
STATE OF HAWAII

H.B. NO.

2085
H.D. 1
S.D. 2

A BILL FOR AN ACT

RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION.

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

1 SECTION 1. The agribusiness development corporation is the
2 State's primary agency with respect to assisting and supporting
3 our agricultural businesses. Section 163D-1, Hawaii Revised
4 Statutes, describes the purpose of the corporation as conceived
5 by the legislature. It reads, in part:

6 *"Constantly evolving economies require an aggressive and*
7 *dynamic leadership for the promotion and development of*
8 *agricultural enterprises, and centralized leadership to*
9 *coordinate industry development, provide industry-wide services,*
10 *provide marketing assistance, and facilitate investments and*
11 *coventures in viable enterprises.*

12 *The purpose of this chapter is to create a vehicle and*
13 *process to make optimal use of agricultural assets for the*
14 *economic, environmental, and social benefit of the people of*
15 *Hawaii. This chapter establishes a public corporation to*
16 *administer an aggressive and dynamic agribusiness development*
17 *program. The corporation shall coordinate and administer*
18 *programs to assist agricultural enterprises to facilitate the*



1 transition of agricultural infrastructure from plantation
2 operations into other agricultural enterprises, to carry on the
3 marketing analysis to direct agricultural industry evolution,
4 and to provide the leadership for the development, financing,
5 improvement, or enhancement of agricultural enterprises."

6 The purpose of this Act is to improve the effectiveness and
7 leadership of the agribusiness development corporation by
8 expanding the fields of which members of the board of the
9 agribusiness development corporation are required to possess
10 knowledge, experience, and expertise to include retail,
11 wholesale, and distribution involving agricultural products,
12 packaging and processing of agricultural products,
13 transportation and shipping of agricultural products, or venture
14 capital involving agricultural businesses. It is further the
15 purpose of this Act to require the agribusiness development
16 corporation to develop a five-year strategic plan to be
17 presented to the legislature prior to the 2009 regular session.

18 SECTION 2. Section 163D-3, Hawaii Revised Statutes, is
19 amended by amending subsection (b) to read as follows:

20 "(b) The board of directors of the corporation shall
21 consist of eleven voting members, of whom eight shall be
22 appointed by the governor. The terms of these eight members



1 shall be four years; provided that, commencing on July 1, 2005,
2 the governor shall reduce the terms of those initially appointed
3 so as to provide, as nearly as can be, for the expiration of an
4 equal number of terms at intervals of one year. The eight
5 members shall be selected on the basis of their knowledge,
6 experience, and proven expertise in small and large businesses
7 within the agricultural industry, agricultural economics,
8 banking, real estate, finance, promotion, marketing, [and]
9 management[-], retail, wholesale, and distribution involving
10 agricultural products, packaging and processing of agricultural
11 products, transportation and shipping of agricultural products,
12 or venture capital involving agricultural businesses. Of these
13 eight members, one shall be from the city and county of
14 Honolulu, one shall be from the county of Hawaii, one shall be
15 from the county of Maui, one shall be from the county of Kauai,
16 and four shall be appointed at-large. The director of business,
17 economic development, and tourism; the chairperson of the board
18 of agriculture; and the chairperson of the board of land and
19 natural resources, or their designated representatives, shall be
20 ex-officio, voting members of the board. All members shall
21 continue in office until their respective successors have been
22 appointed and qualified. The board shall annually elect its



1 chairperson from among its members; provided that the
2 chairperson shall not be an ex-officio member."

3 SECTION 3. The agribusiness development corporation shall
4 complete a five year strategic plan which shall include the
5 expansion of its operations from water and land projects to
6 include those issues identified in section 163D-1, Hawaii
7 Revised Statutes. The strategic plan shall include, but not be
8 limited to, identification and discussion of personnel and
9 funding needs, new project areas such as marketing and
10 agricultural enterprise development, proposed benchmarks and
11 time lines for implementation, and recommendations for changes
12 to the composition of the agribusiness development corporation
13 board to better achieve the goals set forth in the strategic
14 plan.

15 The strategic plan shall be submitted to the legislature by
16 no later than twenty days prior to the convening of 2009 regular
17 session.

18 SECTION 4. All acts passed prior to or during this regular
19 session of 2008, whether enacted before or after passage of this
20 Act, shall be interpreted to conform to this Act, unless the
21 acts specifically provide that this Act is being amended.



1 Insofar as this Act is inconsistent with any other law, this Act
2 shall control.

3 SECTION 5. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 6. This Act shall take effect upon its approval;
6 provided that the amendment to section 163D-3(b), Hawaii Revised
7 Statutes, requiring members of the board of directors of the
8 agribusiness development corporation to have certain specified
9 knowledge, experience, and expertise, shall be effective upon
10 the next appointment and subsequent appointments until the
11 composition of the board complies with this Act.

