A BILL FOR AN ACT

RELATING TO WATER INFRASTRUCTURE LOANS.

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

1	SECTION 1. Chapter 174C, Hawaii Revised Statutes, is
2	amended by adding a new part to be appropriately designated and
3	to read as follows:
4	"PART . WATER INFRASTRUCTURE LOANS
5	§174C-A Definitions. As used in this part:
6	"Authority" means the Hawaii water infrastructure authority
7	established under section 174C-C.
8	"Department" means the department of land and natural
9	resources, or any successor by law.
10	"Financing order" means any of the costs incurred by the
11	department to modify or amend any indenture, financing
12	agreement, security agreement, or similar agreement or
13	instrument securing any bond or any ancillary agreement.
14	"Water infrastructure charge" means the on-bill charges for
15	the use and services of the loan program, including the
16	repayment of loans made under the loan program to be imposed on
17	water utility customers.

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"Water infrastructure costs" means costs incurred or to be
 incurred by the water utility customers to pay for dams,
 reservoirs, hydroelectric pumping, storm water reclamation,
 ditch maintenance, spillways, wells, water ducts, and water
 distribution systems.

6 "Water infrastructure equipment" means infrastructure
7 improvements, equipment, and personal property to be installed
8 for dams, reservoirs, hydroelectric pumping, storm water
9 reclamation, ditch maintenance, spillways, wells, water ducts,
10 and water distribution systems.

11 "Water infrastructure loans" and "loan program" means the 12 program established by this part and loans made to finance the 13 purchase or installation of water infrastructure equipment for 14 dams, reservoirs, hydroelectric pumping, storm water 15 reclamation, ditch maintenance, spillways, wells, water ducts,

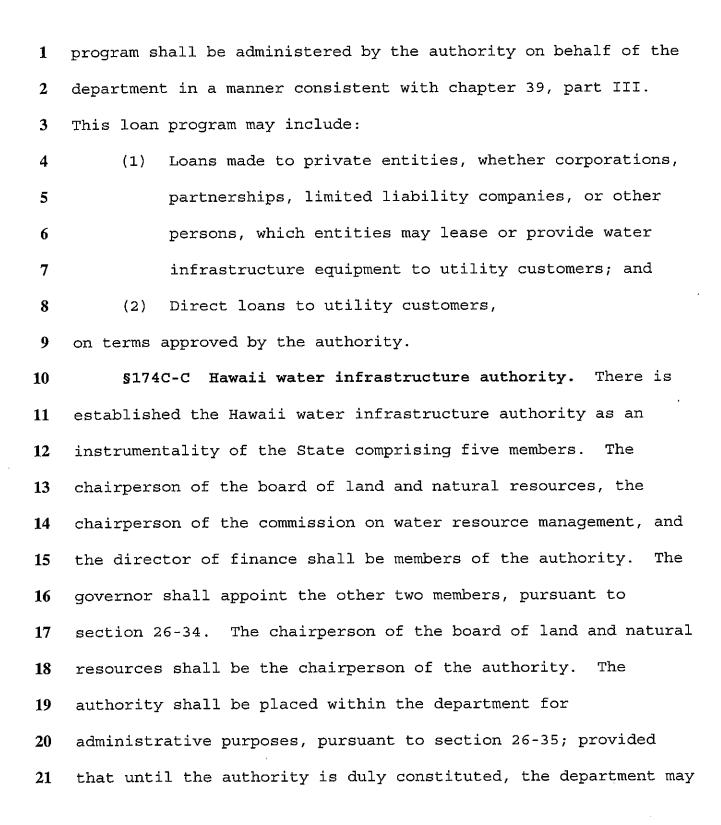
16 and water distribution systems.

17 "Water infrastructure special fund" means the special fund18 created pursuant to section 174C-E.

19 §174C-B Hawaii water infrastructure loan program. There
20 is established a Hawaii water infrastructure loan program, which
21 shall be a loan program as defined under section 39-51. The

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1	exercise a	all powers reserved to the authority and shall perform
2	all respon	nsibilities of the authority.
3	§1740	C-D Functions, powers, and duties of the authority.
4	(a) In tl	ne performance of, and with respect to the functions,
5	powers, a	nd duties vested in the authority by this part, the
6	authority	, as directed by the chairperson of the board of land
7	and natura	al resources, may:
8	(1)	Make loans and expend funds to finance the purchase or
9		installation of water infrastructure equipment for
10		dams, reservoirs, hydroelectric pumping, storm water
11		reclamation, ditch maintenance, spillways, wells,
12		water ducts, and water distribution systems;
13	(2)	Hold and invest moneys in the Hawaii water
14	•	infrastructure special fund in investments as
15		permitted by law;
16	(3)	Hire employees necessary to perform its duties,
17		including an executive director. The executive
18		director shall be appointed by the authority, and the
19		employees' positions, including the executive
20		director's position, shall be exempt from chapter 76;

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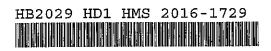
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1	(4)	Enter into contracts for the service of consultants
2		for rendering professional and technical assistance
3		and advice, and any other contracts that are necessary
4		and proper for the implementation of the loan program;
5	(5)	Enter into contracts for the administration of the
6		loan program, without the necessity of complying with
7		chapter 103D;
8	(6)	Establish loan program guidelines to carry out the
9		purposes of this part;
10	(7)	Be audited at least annually by a firm of independent
11		certified public accountants selected by the
12		authority, and provide the results of this audit to
13		the department; and
14	(8)	Perform all functions necessary to effectuate the
15		purposes of this part.
16	(b)	The authority shall submit to the board of land and
17	natural r	esources an annual plan for review and approval no
18	later tha	n ninety days prior to the start of each fiscal year.
19	The annua	l plan submitted by the authority shall include the
20	authority	's projected operational budget for the succeeding
21	fiscal ye	ar.

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1	§174	C-E Hawaii water infrastructure special fund. (a)
2	There is	established the Hawaii water infrastructure special
3	fund into	which shall be deposited:
4	(1)	Water infrastructure charges received for the use and
5		services of the loan program, including the repayment
6		of loans made under the loan program;
7	(2)	All other funds received by the department or the
8		authority and legally available for the purposes of
9		the water infrastructure special fund;
10	(3)	Interest earnings on all amounts in the water
11		infrastructure special fund; and
12	(4)	Any other moneys permitted by the board of land and
13		natural resources.
14	The	Hawaii water infrastructure special fund shall not be
15	subject t	o section 37-53.
16	(b)	Moneys in the Hawaii water infrastructure special fund
17	may be us	sed for the purposes of:
18	(1)	Making water infrastructure loans;
19	(2)	Paying administrative costs of the Hawaii water
20		infrastructure loan program; or



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Paying any other costs related to the Hawaii water 1 (3) infrastructure loan program. 2 The authority may invest funds held in the Hawaii 3 (C) water infrastructure special fund in investments as permitted by 4 law. All amounts in the Hawaii water infrastructure special 5 fund shall be exempt from all taxes and surcharges imposed by 6 7 the State or the counties. §174C-F Use of Hawaii water infrastructure special fund; 8 application. (a) The authority shall apply to the board of 9 land and natural resources for directives to effectuate the 10 Hawaii water infrastructure loan program. 11 An application for a directive shall be submitted by 12 (b) the authority to the board of land and natural resources. 13 14 In accordance with an approved water infrastructure (c) loan program directive or directives, the authority shall 15 utilize the amounts deposited in the Hawaii water infrastructure 16 special fund pursuant to section 174C-E, to pay financing costs. 17 The authority shall obtain approval from the board of 18 (d) land and natural resources to direct county water utilities to 19 serve as agents to bill and collect the water infrastructure 20

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1	charge imposed to repay water infrastructure costs and transfer	
2	all water infrastructure charges collected to the authority."	
3	SECTION 2. There is appropriated out of the general	
4	revenues of the State of Hawaii the sum of \$ or so much	
5	thereof as may be necessary for fiscal year 2016-2017 for	
6	deposit into the Hawaii water infrastructure special fund.	
7	There is appropriated out of the Hawaii water	
8	infrastructure special fund the sum of \$ or so much	
9	thereof as may be necessary for fiscal year 2016-2017.	
10	The sum appropriated shall be expended by the department of	
11	land and natural resources for the purposes of this Act.	
12	SECTION 3. There is appropriated out of the general	
13	revenues of the State of Hawaii the sum of \$ or so much	
14	thereof as may be necessary for fiscal year 2016-2017 for	
15	distribution to the counties in the following allocations:	
16	(1) City and county of Honolulu \$	
17	(2) County of Hawaii \$	
18	(3) County of Kauai \$	
19	(4) County of Maui \$	

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in order for the State to fulfill its constitutional 1 2 requirements under article VIII, section 5, of the state 3 constitution. . 4 The sums appropriated shall be expended by the respective 5 counties for the purposes of this Act. 6 SECTION 4. In codifying the new sections added by 7 section 1 of this Act, the revisor of statutes shall substitute 8 appropriate section numbers for the letters used in designating 9 the new sections in this Act.

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SECTION 5. This Act shall take effect on July 1, 2050.



Report Title: Water Infrastructure Loans; Infrastructure Financing; Appropriations

Description:

Establishes a Water Infrastructure Loan Program under the Hawaii Water Infrastructure Authority within DLNR. Allows the Authority to make loans for water infrastructure development, repair, and maintenance. Makes appropriations. (HB2029 HD1)

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

