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# 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 155, Hawaii Revised Statutes, is  
2 amended by adding a new part to be appropriately designated and  
3 to read as follows:

4                           **"PART II. WATER INFRASTRUCTURE LOANS**

5           §155-A Definitions. As used in this part:

6           "Department" means the department of agriculture.

7           "Water infrastructure charge" means the on-bill charges for  
8 the use and services of the loan program, including the  
9 repayment of loans made under the loan program to be imposed on  
10 water utility customers.

11           "Water infrastructure equipment" means infrastructure  
12 improvements, equipment, and personal property to be installed  
13 for dams, reservoirs, hydroelectric pumping, storm water  
14 reclamation, ditch maintenance, spillways, wells, water ducts,  
15 and water distribution systems.

16           "Water infrastructure loans" and "loan program" means the  
17 program established by this part and loans made to finance the  
18 purchase or installation of water infrastructure equipment for



1 dams, reservoirs, hydroelectric pumping, storm water  
2 reclamation, ditch maintenance, spillways, wells, water ducts,  
3 and water distribution systems.

4 "Water infrastructure special fund" means the special fund  
5 created pursuant to section 155-D.

6 §155-B Hawaii water infrastructure loan program. There is  
7 established a Hawaii water infrastructure loan program, which  
8 shall be a loan program as defined under section 39-51. The  
9 program shall be administered by the department in a manner  
10 consistent with chapter 39, part III. This loan program may  
11 include:

- 12 (1) Loans made, on terms approved by the department, to  
13 private entities, whether corporations, partnerships,  
14 limited liability companies, or other persons, which  
15 entities may lease or provide water infrastructure  
16 equipment to utility customers; and
- 17 (2) Direct loans to utility customers, on terms approved  
18 by the department.

19 §155-C Powers of the department. The department shall  
20 have the following powers:



- 1           (1) Make loans and expend funds to finance the purchase or  
2                    installation of water infrastructure equipment for  
3                    dams, reservoirs, hydroelectric pumping, storm water  
4                    reclamation, ditch maintenance, spillways, wells,  
5                    water ducts, and water distribution systems;
- 6           (2) Hold and invest moneys in the water infrastructure  
7                    special fund in investments as permitted by law;
- 8           (3) Hire employees necessary to perform its duties;
- 9           (4) Enter into contracts for the service of consultants  
10                   for rendering professional and technical assistance  
11                   and advice, and any other contracts that are necessary  
12                   and proper for the implementation of the loan program;
- 13           (5) Enter into contracts for the administration of the  
14                   loan program, without the necessity of complying with  
15                   chapter 103D;
- 16           (6) Establish loan program guidelines to carry out the  
17                   purposes of this part;
- 18           (7) Perform all functions necessary to effectuate the  
19                   purposes of this part;
- 20           (8) Delegate authority to the chairperson of the board of  
21                   agriculture to approve loans where the requested



1 amount plus any principal balance on existing loans to  
2 the applicant does not exceed \$25,000 of state funds;  
3 and

4 (9) Adopt rules pursuant to chapter 91 necessary for the  
5 purpose of this part.

6 §155-D Hawaii water infrastructure special fund. (a)

7 There is established the Hawaii water infrastructure special  
8 fund into which shall be deposited:

9 (1) Water infrastructure charges received for the use and  
10 services of the loan program, including the repayment  
11 of loans made under the loan program;

12 (2) All other funds received by the department and legally  
13 available for the purposes of the water infrastructure  
14 special fund;

15 (3) Interest earnings on all amounts in the water  
16 infrastructure special fund; and

17 (4) Any other moneys permitted by the board of  
18 agriculture.

19 (b) Moneys in the water infrastructure special fund may be  
20 used for the purposes of:

21 (1) Making water infrastructure loans;



- 1 (2) Paying administrative costs of the loan program; or
- 2 (3) Paying any other costs related to the loan program."

3 SECTION 2. Chapter 155, Hawaii Revised Statutes, is  
 4 amended by designating sections 155-1 to 155-14 as part I and  
 5 inserting a title before section 155-1 to read as follows:

6 "PART I. AGRICULTURAL LOAN PROGRAM"

7 SECTION 3. There is appropriated out of the general  
 8 revenues of the State of Hawaii the sum of \$ or so much  
 9 thereof as may be necessary for fiscal year 2016-2017 for  
 10 deposit into the Hawaii water infrastructure special fund.

11 There is appropriated out of the Hawaii water  
 12 infrastructure special fund the sum of \$ or so much  
 13 thereof as may be necessary for fiscal year 2016-2017 for the  
 14 purposes of the fund.

15 The sum appropriated shall be expended by the department of  
 16 agriculture for the purposes of this Act.

17 SECTION 4. In codifying the new sections added by  
 18 section 1 of this Act, the revisor of statutes shall substitute  
 19 appropriate section numbers for the letters used in designating  
 20 the new sections in this Act.

21 SECTION 5. This Act shall take effect on July 1, 2016.



**Report Title:**

Water Infrastructure Loans; Infrastructure Financing;  
Appropriations

**Description:**

Establishes the Water Infrastructure Loan Program under the Department of Agriculture. Allows the Department to make loans for water infrastructure development, repair, and maintenance. Establishes the water infrastructure special fund. Makes appropriations. (SD1)

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

