STAND. COM. REP. NO.

Honolulu, Hawaii

MAR 0 3 2016

RE: S.B. No. 2804 S.D. 2

Honorable Ronald D. Kouchi President of the Senate Twenty-Eighth State Legislature Regular Session of 2016 State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2804, S.D. 1, entitled:

"A BILL FOR AN ACT AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST BIG ISLAND DAIRY, LLC,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the Department of Budget and Finance to issue up to \$10,000,000 in special purpose revenue bonds on behalf of Big Island Dairy, LLC, for the planning, design, and construction of a new milk processing facility and related appurtenances and costs.

Your Committee received written comments in support of this measure from the Department of Agriculture, Hawaii Farm Bureau, and the Ulupono Initiative. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee notes that there is only one milk processor in the State. The situation places an undue burden on the State's two remaining local dairies, which have to accept the price of milk from the processor or risk discarding their unsold milk. Your Committee finds that Big Island Dairy, LLC's proposed processing facility will provide local dairies the opportunity to choose where to sell their milk, thus creating a more competitive market. Your Committee further finds that the issuance of special purpose revenue bonds for these purposes is in the public interest and for the public health, safety, and general welfare.

SB2804 SD2 SSCR LRB 16-1006-1.doc

Your Committee has amended this measure by:

- (1) Clarifying that Big Island Dairy, LLC, is a limited liability company; and
- (2) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2804, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2804, S.D. 2.

Respectfully submitted on behalf of the members of the Committee on Ways and Means,

JILL N. TOKUDA, Chair

The Senate Twenty-Eighth Legislature State of Hawai'i

Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:*	Committee Referral: Date:/				
SB 2804, SDI	WLA, WAM 2/17/16			16	
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)					
DELA CRUZ, Donovan M. (VC)					
CHUN OAKLAND, Suzanne					
ENGLISH, J. Kalani					
GALUTERIA, Brickwood					
HARIMOTO, Breene					
INOUYE, Lorraine R.					
RIVIERE, Gil					
TANIGUCHI, Brian T.					<u> </u>
WAKAI, Glenn					_
SLOM, Sam					
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TOTAL		11			
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Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Sink Goldenrod					
File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only one measure per Record of Votes