
A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1 SECTION 1. The department of agriculture strives to
2 promote all forms of agriculture in a fair and consistent
3 manner. When the legislature transferred the operation and
4 management of State-owned irrigation systems to the department
5 in 1987, it also created the irrigation system revolving fund.
6 This fund encompasses all of the State's irrigation systems,
7 which allows the department to create a level playing field for
8 all irrigation users throughout the State, regardless of the
9 size of the system.

10 Act 223, Session Laws of Hawaii 2014, capped the toll for
11 water delivery for the Honokaa/Paauilo irrigation system (also
12 known as the lower Hamakua ditch) to no more than 20 cents per
13 one thousand gallons of water delivered. The noble intent of
14 this action was to significantly reduce the delivered cost of
15 irrigation water via this system to encourage the growth of
16 diversified agriculture in the region. It was expected that the
17 lower cost would be offset by increased demand, providing an



1 overall increase in revenue to support the system. Irrigation
2 water use records for the past two-and-a-half fiscal years,
3 unfortunately, indicate otherwise. In spite of the reduced
4 rates, irrigation use is at an all-time low, leading to a
5 projected aggregate loss of approximately \$38,000 for the three
6 fiscal years beginning on July 1, 2014 and ending on June 30,
7 2017. The legislature finds that the reduced rate has had
8 little to no impact on the irrigation water demand on the
9 Honokaa/Paauilo irrigation system and has adversely affected the
10 irrigation system revolving fund.

11 SECTION 2. Section 167-6, Hawaii Revised Statutes, is
12 amended by amending subsection (a) to read as follows:

13 "(a) The board of agriculture shall also have the power
14 to:

15 (1) Establish and certify the total amount of acreage
16 assessments to be levied annually and collect the
17 assessments within each project;

18 (2) Set and from time to time revise tolls that it shall
19 charge for the water provided by its facilities,
20 subject to the rate policies established hereunder;
21 ~~[provided that the toll for water provided by the~~



- 1 ~~lower Hamakua ditch shall not exceed 20 cents per one~~
2 ~~thousand gallons,]~~
- 3 (3) Establish priorities between the several lands
4 included in a project according to the use to which
5 the lands are put or other reasonable basis for
6 classification;
- 7 (4) Govern the furnishing of water in the event of a
8 shortage of supply and to correlate water tolls with
9 these priorities;
- 10 (5) Charge and collect water tolls, fees, and other
11 charges established in connection herewith;
- 12 (6) Sell, exchange, transfer, assign, or pledge any
13 property, real or personal, or any interest therein,
14 to any person, firm, corporation, or government,
15 except as prohibited by the laws of the State;
- 16 (7) Hold, clear, and improve property;
- 17 (8) Borrow money for any of the purposes hereunder;
- 18 (9) Insure or provide for the insurance of the property or
19 operations of the board against such risks as the
20 board may deem advisable;



- 1 (10) Include in any construction contract executed in
2 connection with a project, stipulations requiring that
3 the contractor and any subcontractors comply with
4 requirements as to minimum wages and maximum hours of
5 labor, and comply with any conditions that the federal
6 government may have attached to its financial aid of
7 the project;
- 8 (11) Delegate to the chairperson or employees of the
9 department, subject to the board's control and
10 responsibility, powers and duties as may be lawful or
11 proper for the performance of the functions vested in
12 the board;
- 13 (12) Set, charge, and collect interest and a service charge
14 on delinquent payments due on water tolls, acreage
15 assessments, or other related accounts; provided that
16 the rate of interest shall not exceed one per cent per
17 month and the service charge shall not exceed \$7 for
18 each delinquent payment;
- 19 (13) Collect delinquent acreage assessments in accordance
20 with sections 231-61 to 231-70; provided that the
21 chairperson shall have all of the powers provided to



1 the director of taxation or state tax collector under
2 chapter 231 that may be necessary or convenient to
3 collect delinquent acreage assessments;

4 (14) Accept a security interest in real or personal
5 property for a debt restructured under a payment plan
6 for delinquent water tolls, acreage assessments, or
7 other related irrigation project accounts subject to
8 the rate of interest set forth in paragraph (12); and

9 (15) Foreclose upon or otherwise enforce the security
10 interest accepted under paragraph (14) by any method
11 provided for by law and to hold title to, maintain,
12 use, manage, operate, sell, lease, or otherwise
13 dispose of that personal or real property to recover
14 the debt secured."

15 SECTION 3. Statutory material to be repealed is bracketed
16 and stricken.

17 SECTION 4. This Act shall take effect on July 1, 2017.



Report Title:

Honokaa/Paaulo Irrigation System; Removal of Water-Rate Cap

Description:

Removes the cap on the toll for water delivery for the Honokaa/Paaulo Irrigation System (lower Hamakua ditch). (HB776 HD1)

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

