

JAN 19 2018

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# A BILL FOR AN ACT

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RELATING TO AGRICULTURE.

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

1       SECTION 1. Chapter 163D, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4       "§163D-       Grant program. (a) There is established the  
5 agribusiness development corporation grant program to be  
6 administered by the corporation. The purpose of the program  
7 shall be to provide financial support for agriculture-related  
8 improvements to existing and emerging farms and agribusiness  
9 operations, including:

10       (1) Agriculture-related projects on an existing farm or  
11       agribusiness operation;

12       (2) Modernization or expansion of an existing farm or  
13       agribusiness operation;

14       (3) Agriculture-related equipment modification or  
15       replacement;

16       (4) Programs designed to develop new agricultural markets  
17       or products;



1       (5) Farmer or agriculture-related advisory, consultative,  
2       training, and educational services; and

3       (6) Farmer or agriculture-related technical assistance,  
4       including advice to any qualified person whether a  
5       public or private entity.

6       (b) Any grant awarded pursuant to this section shall not  
7       exceed forty per cent of the cost of any agriculture-related  
8       improvements to existing and emerging farms and agribusiness  
9       operations for which the grant is sought; provided that no grant  
10      to a qualified person or entity shall exceed \$100,000 in any  
11      year.

12      (c) A grant may be awarded to a qualified person or entity  
13      who submits an application to the corporation. The application  
14      shall include at minimum the legal name of the qualified person  
15      or entity, the public purpose for which the grant is being  
16      sought, the service to be furnished by the grant, the target  
17      group of the grant, and a budget for expending the grant moneys  
18      including an estimate of costs and expenses.

19      (d) An application for a grant shall be filed with the  
20      corporation for projects that have commenced within the  
21      preceding fiscal quarter. The application shall be accompanied



1 by such supporting documentation of project costs as may be  
2 required by the corporation, including reasonable projections of  
3 project costs for the period to be covered by the grant.

4 (e) All applicants for a grant shall:

5 (1) Comply with applicable federal and state laws  
6 prohibiting discrimination against any person,  
7 including on the basis of race, color, national  
8 origin, religion, creed, sex, age, sexual orientation,  
9 or disability;

10 (2) Have applied for or received all applicable licenses  
11 and permits relative to the project; and

12 (3) Indemnify and hold harmless the State and its  
13 officers, agents, and employees from and against any  
14 and all claims arising out of or resulting from  
15 activities of the project using grant moneys under  
16 this section; provided that if requested by the  
17 corporation, the applicant shall procure  
18 indemnification insurance in sufficient amounts  
19 satisfactory to the corporation.

20 (f) The recipient of a grant under this section shall  
21 submit quarterly reports to the corporation at the end of each



1 quarter regarding the particular project for which the grant was  
2 awarded. Each quarterly report shall detail expenditures made  
3 during the preceding quarter, including each expenditure for  
4 which grant moneys were used, the purpose of the particular  
5 expenditure, and the date of the particular expenditure, as well  
6 as the total expenditures made to date."

7 SECTION 2. Section 163D-4, Hawaii Revised Statutes, is  
8 amended by amending subsection (a) to read as follows:

9 "(a) Except as otherwise limited by this chapter, the  
10 corporation may:

- 11 (1) Sue and be sued;
- 12 (2) Have a seal and alter the same at its pleasure;
- 13 (3) Make and alter bylaws for its organization and  
14 internal management;
- 15 (4) Adopt rules under chapter 91 necessary to effectuate  
16 this chapter in connection with its projects,  
17 operations, and properties;
- 18 (5) Make and execute contracts and all other instruments  
19 necessary or convenient for the exercise of its powers  
20 and functions under this chapter;



- 1           (6) Carry out surveys, research, and investigations into  
2           technological, business, financial, consumer trends,  
3           and other aspects of agricultural production in the  
4           national and international community;
- 5           (7) Acquire or contract to acquire by grant or purchase  
6           any real, personal, or mixed property or any interest  
7           therein for its immediate or future use for the  
8           purposes of this chapter; own, hold, improve, and  
9           rehabilitate any real, personal, or mixed property  
10          acquired, and sell, assign, exchange, transfer,  
11          convey, lease, or otherwise dispose of, or encumber  
12          the same;
- 13          (8) By itself, or in partnership with qualified persons,  
14          acquire, construct, reconstruct, rehabilitate,  
15          improve, alter, or repair any infrastructure or  
16          accessory facilities in connection with any project;  
17          own, hold, sell, assign, transfer, convey, exchange,  
18          lease, or otherwise dispose of, or encumber any  
19          project;
- 20          (9) In cooperation with the department of agriculture,  
21          pursuant to chapter 167, or otherwise through direct



1 investment or coventure with a professional investor  
2 or enterprise or any other person, or otherwise, to  
3 acquire, construct, operate, and maintain water  
4 facilities for conveying, distributing, and  
5 transmitting water for irrigation and agricultural  
6 uses at rates or charges determined by the  
7 corporation; provided that:

8 (A) This chapter shall not be construed to permit or  
9 allow the department of agriculture or any  
10 agribusiness development corporation to:

11 (i) Amend or modify rights or entitlements to  
12 water as provided for by article XI, section  
13 7, of the Constitution of the State of  
14 Hawaii, or the Hawaiian Homes Commission  
15 Act, 1920, as amended, and chapter 168;

16 (ii) Diminish or abridge the traditional and  
17 customary rights of ahupua`a tenants who  
18 inhabited the Hawaiian Islands prior to 1778  
19 under sections 1-1 and 7-1; and

20 (iii) Impair, abridge, or terminate the legal  
21 rights or interests to water and its uses,



1                   whether by lease, easement, or other means,  
2                   which are possessed or held by organizations  
3                   whose primary purpose is to benefit people  
4                   of Hawaiian ancestry; and

5           (B) All usage of water shall be in accordance with  
6               chapter [†]174C[†] and other applicable laws in  
7               the State;

8       (10) Assist agricultural enterprises by conducting detailed  
9           marketing analysis and developing marketing and  
10          promotional strategies to strengthen the position of  
11          those enterprises and to better exploit local,  
12          national, and international markets;

13       (11) Carry out specialized programs designed to develop new  
14          markets for Hawaii agricultural products;

15       (12) Receive, examine, and determine the acceptability of  
16          applications of qualified persons for allowances or  
17          grants for the development of new crops and  
18          agricultural products, the expansion of established  
19          agricultural enterprises, and the altering of existing  
20          agricultural enterprises;



(13) Coordinate its activities with any federal or state farm credit programs;

(14) Grant options to purchase any project or to renew any lease entered into by it in connection with any of its projects, on the terms and conditions it deems advisable;

(15) Provide advisory, consultative, training, and educational services, technical assistance, and advice to any person, partnership, or corporation, either public or private, in order to carry out the purposes of this chapter, and engage the services of consultants on a contractual basis for rendering professional and technical assistance and advice;

(16) Procure insurance against any loss in connection with its property and other assets and operations in such amounts and from such insurers as it deems desirable;

(17) Accept gifts or grants in any form from any public agency or any other source; [and]

(18) Award grants as provided by law; and

~~[(18)]~~ (19) Do all things necessary or proper to carry out the purposes of this chapter."



# S.B. NO. 2085

SECTION 3. The agribusiness development corporation shall incorporate in its year-to-year base budget such amounts necessary to continue to make grants under section 1 of this Act.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2018-2019 for the agribusiness development corporation to award grants to provide financial support for agriculture-related improvements to existing and emerging farms and agribusiness operations.

The sum appropriated shall be expended by the agribusiness development corporation for the purposes of this Act.

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

SECTION 6. This Act shall take effect on July 1, 2018.

INTRODUCED BY:

*Thirine*  
*[Signature]*

*Thirine*

*Michelle Tidoni*

*[Signature]*  
*Clarence D. Hicken*

*Maile Hironaka*  
*Maile Hironaka*



S.B. NO. 2085

Breene Hamit



# S.B. NO. 2085

**Report Title:**

Agriculture; Agribusiness Development Corporation; Grant Program; Appropriation

**Description:**

Establishes a grant program to be administered by the agribusiness development corporation to provide financial support for agriculture-related improvements to existing and emerging farms and agribusiness operations. Makes an appropriation.

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

