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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 grants for agriculture-related improvements  
8       to existing and emerging farms and agribusiness operations,  
9       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.

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

17       (d) An application for a grant shall be filed with the  
18       corporation for projects that have commenced within the  
19       preceding fiscal quarter. The application shall be accompanied  
20       by supporting documentation of project costs as may be required



1 by the corporation, including reasonable projections of project  
2 costs for the period to be covered by the grant.

3 (e) All applicants for a grant shall:

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

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

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

19 (f) The recipient of a grant under this section shall  
20 submit quarterly reports to the corporation at the end of each  
21 quarter regarding the particular project for which the grant was



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

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

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

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



1 and other aspects of agricultural production in the  
2 national and international community;

3 (7) Acquire or contract to acquire by grant or purchase  
4 any real, personal, or mixed property or any interest  
5 therein for its immediate or future use for the  
6 purposes of this chapter; own, hold, improve, and  
7 rehabilitate any real, personal, or mixed property  
8 acquired, and sell, assign, exchange, transfer,  
9 convey, lease, or otherwise dispose of, or encumber  
10 the same;

11 (8) By itself, or in partnership with qualified persons,  
12 acquire, construct, reconstruct, rehabilitate,  
13 improve, alter, or repair any infrastructure or  
14 accessory facilities in connection with any project;  
15 own, hold, sell, assign, transfer, convey, exchange,  
16 lease, or otherwise dispose of, or encumber any  
17 project;

18 (9) In cooperation with the department of agriculture,  
19 pursuant to chapter 167, or otherwise through direct  
20 investment or coventure with a professional investor  
21 or enterprise or any other person, or otherwise, to



1       acquire, construct, operate, and maintain water  
2       facilities for conveying, distributing, and  
3       transmitting water for irrigation and agricultural  
4       uses at rates or charges determined by the  
5       corporation; provided that:

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

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

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

18          (iii) Impair, abridge, or terminate the legal  
19          rights or interests to water and its uses,  
20          whether by lease, easement, or other means,  
21          which are possessed or held by organizations



1                   whose primary purpose is to benefit people  
2                   of Hawaiian ancestry; and

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

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

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

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

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



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

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

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

15       (17) Accept gifts or grants in any form from any public  
16           agency or any other source; ~~and~~

17       (18) Award grants as provided by law; and

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

20       SECTION 3. The agribusiness development corporation shall  
21       incorporate in its year-to-year base budget the amounts





1 necessary to continue to make grants under section 1 of this  
2 Act.

3 SECTION 4. 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 2018-2019 for the  
6 agribusiness development corporation to award grants for  
7 agriculture-related improvements to existing and emerging farms  
8 and agribusiness operations.

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

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

13 SECTION 6. This Act shall take effect on July 1, 2150.



**Report Title:**

Agriculture; Agribusiness Development Corporation; Grant  
Program; Appropriation

**Description:**

Establishes a Grant Program to be administered by the  
Agribusiness Development Corporation to provide grants for  
agriculture-related improvements to existing and emerging farms  
and agribusiness operations. Makes an appropriation. (SB2085  
HD1)

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

