

JAN 27 2021

A BILL FOR AN ACT

RELATING TO THE BROWNFIELDS CLEANUP REVOLVING LOAN FUND.

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

1 SECTION 1. The Hawaii brownfields cleanup revolving loan
2 fund was capitalized with funds from a United States
3 Environmental Protection Agency brownfields revolving loan fund
4 grant. In 2012, the grant was closed when all grant funds had
5 been expended for cleanup loans, and a closeout agreement was
6 executed between the United States Environmental Protection
7 Agency and the department of business, economic development, and
8 tourism. Under the closeout agreement, revolving loan funds may
9 be used for loans and sub-grants to eligible entities for
10 brownfields site assessment activities, sampling, and related
11 activities in addition to cleanup activities. The existing loan
12 fund authority strictly limits use of revolving loan funds to
13 loans and cleanup activities.

14 Expanding the loan fund authority to enable sub-grants for
15 cleanups, environmental site assessments, and related
16 activities, in conformance with the closeout agreement, will
17 allow for greater use of the grant funds for eligible

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1 brownfields projects and facilitate redevelopment of lands that
2 are underutilized due to perceived or real contamination.

3 SECTION 2. Section 201-18, Hawaii Revised Statutes, is
4 amended by amending subsections (b) and (c) to read as follows:

5 "(b) Moneys in the brownfields cleanup revolving loan fund
6 shall be used to provide low interest loans or other authorized
7 financial assistance to eligible public, private, and nonprofit
8 [~~borrowers~~] entities for brownfields site assessments, cleanup
9 activities of contaminated sites, and site monitoring activities
10 necessary to determine the effectiveness of a cleanup. Moneys
11 in the brownfields cleanup revolving loan fund may also be used
12 to provide grants to eligible public and nonprofit entities for
13 brownfields site assessments, cleanup activities of contaminated
14 sites, and site monitoring activities necessary to determine the
15 effectiveness of a cleanup.

16 All environmental site assessments and response activities
17 and entities receiving funding shall be subject to the
18 eligibility requirements of and conducted in accordance with the
19 Comprehensive Environmental Response, Compensation, and
20 Liability Act of 1980, P.L. 96-510 (42 U.S.C. §§9601-9675), as
21 amended, and shall be consistent with the National Oil and
22 Hazardous Substances Pollution Contingency Plan at 40 Code of

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1 Federal Regulations part 300. Moneys from the fund may be used
2 to cover administrative and legal costs of fund management and
3 site management associated with individual loans, to include
4 personnel, services, materials, equipment, and travel for the
5 purposes of this section; provided that the moneys used for
6 these purposes shall not exceed the [~~amounts allowed by the~~
7 ~~United States Environmental Protection Agency's Brownfields~~
8 ~~Cleanup Revolving Loan Fund Pilot Program.~~] lesser of ten per
9 cent of the loan or sub-grant amount or the percentage of the
10 loan or sub-grant amount set in rules adopted pursuant to this
11 section.

12 (c) The fund shall be administered by the department of
13 business, economic development, and tourism. Appropriations or
14 authorizations from the fund shall be expended by the
15 department. The department may award and disburse funds from
16 the loan fund in the form of grants to eligible public or
17 nonprofit entities for brownfields site assessments or cleanup
18 and related activities. The department may contract with other
19 public or private entities for the provision of all or a portion
20 of the services necessary for the administration and
21 implementation of loans under the loan fund program. The
22 department may set fees or charges for fund management and

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1 technical site assistance provided under this section. The
2 department may adopt rules pursuant to chapter 91 to carry out
3 the purposes of this section."

4 SECTION 3. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

[Handwritten Signature]

9

BY REQUEST

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Report Title:

Brownfields Cleanup Revolving Loan Fund

Description:

Enables use of funds for environmental site assessments and for sub-grants to eligible entities for assessment and cleanup of brownfields sites.

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

JUSTIFICATION SHEET

DEPARTMENT: Business, Economic Development, and Tourism

TITLE: A BILL FOR AN ACT RELATING TO THE BROWNFIELDS CLEANUP REVOLVING LOAN FUND.

PURPOSE: Amend the statutory authority for the revolving loan fund to expand the use of funds for brownfields environmental site assessments and sub-grants to eligible public and nonprofit entities.

MEANS: Amend section 201-18(b) and (c), Hawaii Revised Statutes.

JUSTIFICATION: The Department of Business, Economic Development, and Tourism (DBEDT) received a grant of \$2,000,000 from the U.S. Environmental Protection Agency (EPA) to establish and capitalize a brownfields cleanup revolving loan program to clean up contaminated sites. In 2012, the grant was closed when all grant funds had been expended for cleanup loans, and a closeout agreement was executed between the EPA and the department. Under the EPA closeout agreement, program revenue may be used for both loans and sub-grants to eligible entities for brownfields site assessment activities, sampling, and related activities, in addition to cleanup activities. The existing loan fund authority strictly limits use of revolving loan funds to loans and cleanup activities as allowed under the original grant award terms. The proposed amendment would align the use of revolving loan funds with the provisions of the more-flexible EPA closeout agreement.

Impact on the public: The public will benefit from brownfields site assessments and cleanups that will facilitate the restoration and redevelopment of contaminated sites.

Impact on the department and other agencies:
The amendment will allow DBEDT to disburse funds through sub-grants as well as loans to eligible entities. This will enable greater use of the funds for brownfields redevelopment.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: BED-144 PL.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: Upon approval.