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# 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 brownfields cleanup revolving loan fund was  
2 capitalized with funds from a United States Environmental  
3 Protection Agency brownfields revolving loan fund grant. In  
4 2012, the grant was closed when all grant funds had been  
5 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           The purpose of the Act is to expand the authorized uses of  
15 the brownfields cleanup revolving loan fund to enable sub-grants  
16 for cleanups, environmental site assessments, and related  
17 activities, in conformance with the closeout agreement, which



1 will allow for greater use of the grant funds for eligible  
2 brownfields projects and facilitate redevelopment of lands that  
3 are underutilized due to perceived or real contamination.

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

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

17 All environmental site assessments and response activities  
18 and entities receiving funding shall be subject to the  
19 eligibility requirements of, and conducted in accordance with,  
20 the Comprehensive Environmental Response, Compensation, and  
21 Liability Act of 1980, P.L. 96-510 (42 U.S.C. §§9601-9675), as



1 amended, and shall be consistent with the National Oil and  
2 Hazardous Substances Pollution Contingency Plan at 40 Code of  
3 Federal Regulations part 300. Moneys from the fund may be used  
4 to cover administrative and legal costs of fund management and  
5 site management associated with individual loans, to include  
6 personnel, services, materials, equipment, and travel for the  
7 purposes of this section; provided that the moneys used for  
8 these purposes shall not exceed the [~~amounts allowed by the~~  
9 ~~United States Environmental Protection Agency's Brownfields~~  
10 ~~Cleanup Revolving Loan Fund Pilot Program.~~] lesser of ten per  
11 cent of the loan or subgrant amount or the percentage of the  
12 loan or subgrant amount set in rules adopted pursuant to this  
13 section.

14 (c) The fund shall be administered by the department of  
15 business, economic development, and tourism. Appropriations or  
16 authorizations from the fund shall be expended by the  
17 department. The department may award and disburse moneys from  
18 the fund in the form of grants to eligible public or nonprofit  
19 entities for brownfields site assessments, cleanup and related  
20 activities, or site monitoring activities pursuant to subsection  
21 (b). The department may contract with other public or private



1 entities for the provision of all or a portion of the services  
2 necessary for the administration and implementation of loans  
3 under the loan fund program. The department may set fees or  
4 charges for fund management and technical site assistance  
5 provided under this section. The department may adopt rules  
6 pursuant to chapter 91 to carry out the purposes of this  
7 section."

8 SECTION 3. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

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



**Report Title:**

Brownfields Cleanup Revolving Loan Fund

**Description:**

Enables use of moneys in the brownfields cleanup revolving fund for subgrants to eligible entities for assessment and cleanup of brownfields sites and certain site monitoring activities. (SD2)

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