

JAN 22 2021

A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1 SECTION 1. Section 141-10, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§141-10** ~~[Agricultural]~~ Land, aquaculture, freshwater, or
4 sea-based food development and food security special fund;
5 **establishment.** (a) There is established within the state
6 treasury the ~~[agricultural]~~ land, aquaculture, freshwater, or
7 sea-based food development and food security special fund.

8 (b) The following moneys shall be deposited into the
9 special fund:

- 10 (1) The portion of the environmental response, energy, and
11 food security tax specified under section 243-3.5;
- 12 (2) Any appropriation by the legislature into the special
13 fund;
- 14 (3) Any grant or donation made to the special fund; and
- 15 (4) Any interest earned on the balance of the special
16 fund.



1 (c) Subject to legislative appropriation, moneys in the
2 special fund may be expended for the following purposes:

3 (1) The awarding of grants to farmers or commercial
4 fishermen for [~~agricultural~~] land, aquaculture,
5 freshwater, or sea-based food production or processing
6 activity;

7 (2) The acquisition of real property for [~~agricultural~~]
8 land, aquaculture, freshwater, or sea-based food
9 production or processing activity;

10 (3) The improvement of real property, dams, reservoirs,
11 irrigation systems, and transportation networks
12 necessary to promote [~~agricultural~~] land, aquaculture,
13 freshwater, or sea-based food production or processing
14 activity, including investigative studies to identify
15 and assess necessary improvements to dams, reservoirs,
16 irrigation systems, and transportation networks;

17 (4) The purchase of equipment necessary for [~~agricultural~~]
18 land, aquaculture, freshwater, or sea-based food
19 production or processing activity;



- 1 (5) The conduct of research on and testing of
- 2 [~~agricultural~~] land, aquaculture, freshwater, or sea-
- 3 based food products and markets;
- 4 (6) The funding of agricultural inspector positions within
- 5 the department of agriculture;
- 6 (7) The promotion and marketing of agricultural products
- 7 grown or raised in the State;
- 8 (8) Water quality testing and improvement; and
- 9 (9) Any other activity intended to increase [~~agricultural~~]
- 10 land, aquaculture, freshwater, or sea-based food
- 11 production or processing that may lead to reduced
- 12 importation of food, fodder, or feed from outside the
- 13 State.
- 14 (d) The department of agriculture shall submit a report to
- 15 the legislature no later than twenty days prior to the convening
- 16 of each regular session on the status and progress of existing
- 17 programs and activities and the status of new programs and
- 18 activities funded under the [~~agricultural~~] land, aquaculture,
- 19 freshwater, or sea-based food development and food security
- 20 special fund. The report shall also include:



- 1 (1) The spending plan of the [~~agricultural~~] land,
- 2 aquaculture, freshwater, or sea-based food development
- 3 and food security special fund;
- 4 (2) All expenditures of [~~agricultural~~] land, aquaculture,
- 5 freshwater, or sea-based food development and food
- 6 security special fund moneys;
- 7 (3) The targeted markets of the expenditures, including
- 8 the reason for selecting those markets;
- 9 (4) The persons to be served using the expenditures; and
- 10 (5) The specific objectives of the expenditures, including
- 11 measurable outcomes."

12 SECTION 2. Section 145-38, Hawaii Revised Statutes, is

13 amended to read as follows:

14 " ~~[+]§145-38[+]~~ **Civil penalty.** Any person who violates any

15 provision of this part or rule adopted pursuant to section

16 145-39 shall be subject to a civil penalty in an amount not to

17 exceed \$1,000 per violation. In determining the amount of any

18 civil penalty, the board of agriculture shall give due

19 consideration to:

- 20 (1) The history of the person's previous violations;
- 21 (2) The seriousness of the violation; and



1 (3) The demonstrated good faith of the person charged in
2 attempting to achieve compliance with this part after
3 being notified of the violation.

4 The penalty shall be collected by the department, and the
5 proceeds shall be deposited into the [~~agricultural~~] land,
6 aquaculture, freshwater, or sea-based food development and food
7 security special fund established pursuant to section 141-10."

8 SECTION 3. Section 243-3.5, Hawaii Revised Statutes, is
9 amended by amending subsections (a) and (b) to read as follows:

10 "(a) In addition to any other taxes provided by law,
11 subject to the exemptions set forth in section 243-7, there is
12 hereby imposed a state environmental response, energy, and food
13 security tax on each barrel or fractional part of a barrel of
14 petroleum product sold by a distributor to any retail dealer or
15 end user of petroleum product, other than a refiner. The tax
16 shall be \$1.05 on each barrel or fractional part of a barrel of
17 petroleum product that is not aviation fuel; provided that of
18 the tax collected pursuant to this subsection:

19 (1) 5 cents of the tax on each barrel shall be deposited
20 into the environmental response revolving fund
21 established under section 128D-2;



- 1 (2) 5 cents of the tax on each barrel shall be deposited
- 2 into the energy security special fund established
- 3 under section 201-12.8;
- 4 (3) 10 cents of the tax on each barrel shall be deposited
- 5 into the energy systems development special fund
- 6 established under section 304A-2169.1; and
- 7 (4) 15 cents of the tax on each barrel shall be deposited
- 8 into the [~~agricultural~~] land, aquaculture, freshwater,
- 9 or sea-based food development and food security
- 10 special fund established under section 141-10.

11 The tax imposed by this subsection shall be paid by the

12 distributor of the petroleum product.

13 (b) In addition to subsection (a), the tax shall also be

14 imposed on each one million British thermal units of fossil fuel

15 sold by a distributor to any retail dealer or end user, other

16 than a refiner, of fossil fuel. The tax shall be 19 cents on

17 each one million British thermal units of fossil fuel; provided

18 that of the tax collected pursuant to this subsection:

- 19 (1) 4.8 per cent of the tax on each one million British
- 20 thermal units shall be deposited into the



1 environmental response revolving fund established
2 under section 128D-2;

3 (2) 14.3 per cent of the tax on each one million British
4 thermal units shall be deposited into the energy
5 security special fund established under section
6 201-12.8;

7 (3) 9.5 per cent of the tax on each one million British
8 thermal units shall be deposited into the energy
9 systems development special fund established under
10 section 304A-2169.1; and

11 (4) 14.3 per cent of the tax on each one million British
12 thermal units shall be deposited into the
13 [~~agricultural~~] land, aquaculture, freshwater, or sea-
14 based food development and food security special fund
15 established under section 141-10.

16 The tax imposed by this subsection shall be paid by the
17 distributor of the fossil fuel."

18 SECTION 4. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.



S.B. NO. 668

1 SECTION 5. This Act shall take effect on July 1, 2021.

2

INTRODUCED BY:

Daniel R. ...



S.B. NO. 668

Report Title:

Department of Agriculture; Land, Aquaculture, Freshwater, or Sea-Based Food Development and Food Security Special Fund

Description:

Renames the agricultural development and food security special fund as the land, aquaculture, freshwater, or sea-based food development and food security special fund and expands the scope of the special fund to include land, aquaculture, freshwater, or sea-based food production.

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