

Honolulu, Hawaii

**FEB 13 2025**

RE: S.B. No. 1547

S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 1547 entitled:

"A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST ALOUN KAUAI FARMING, AN AGRICULTURAL ENTERPRISE, IN THE FINANCE, OPERATION, AND MAINTENANCE OF A PROJECT TO REVITALIZE THE DAIRY INDUSTRY,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Aloun Kauai Farming in the planning, design, construction, and maintenance of an integrated dairy industry.

Your Committee received testimony in support of this measure from Aloun Farms and the Hawai'i Farm Bureau.

Your Committee received testimony in opposition to this measure from the Hawai'i Reef and Ocean Coalition and four individuals.

Your Committee received comments on this measure from the Department of the Attorney General and Department of Budget and Finance.

Your Committee finds that this measure supports the local food industry and furthers the State's goal of food



self-sufficiency. Your Committee notes that Hawaii's dairy industry, which previously had over one hundred fifty dairies, has been reduced to one commercial dairy on Hawaii Island, leaving the State heavily dependent on imported milk and dairy products. Your Committee believes that the issuance of special purpose revenue bonds under this measure is in the public interest and for the public health, safety, and general welfare.

Your Committee acknowledges the concerns raised by the Department of the Attorney General that the issuance of special purpose revenue bonds as proposed in this measure violates Act 182, Session Laws of Hawaii 2022, as amended by Act 262, Session Laws of Hawaii 2023, which, in part, prohibits the authorization of special purpose revenue bonds that require allocations from the State's private activity bond volume cap ceiling through December 31, 2028. Amendments to this measure are therefore necessary to expressly insert a carve out to this prohibition.

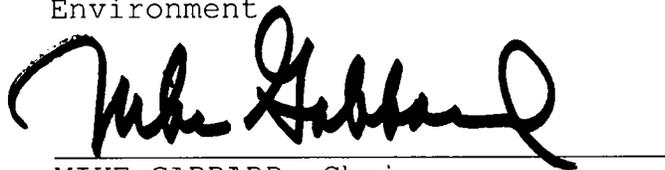
Your Committee has amended this measure by:

- (1) Inserting language to specify that the Legislature authorizes the issuance of special purpose revenue bonds that require allocation from the State's annual private activity bond volume cap ceiling, notwithstanding the provisions of Act 182, Session Laws of Hawaii 2022, as amended by Act 262, Session Laws of Hawaii 2023;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1547, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1547, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on  
behalf of the members of the  
Committee on Agriculture and  
Environment

A handwritten signature in black ink, appearing to read "Mike Gabbard", written over a horizontal line.

MIKE GABBARD, Chair



