THE SENATE THIRTY-THIRD LEGISLATURE, 2025 STATE OF HAWAII S.B. NO. 1155

JAN 17 2025

### A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1	SECTION 1. Chapter 141, Hawaii Revised Statutes, is
2	amended by adding a new section to be appropriately designated
3	and to read as follows:
4	" <pre>S141- Agricultural development and food security special</pre>
5	fund; establishment. (a) There is established within the state
6	treasury the agricultural development and food security special
7	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 f	und may be expended for the following purposes:
3	(1)	The awarding of grants to farmers for agricultural
4		production or processing activity;
5	(2)	The acquisition of real property for agricultural
6		production or processing activity;
7	(3)	The improvement of real property, dams, reservoirs,
8		irrigation systems, and transportation networks
9		necessary to promote agricultural production or
10		processing activity, including investigative studies
11		to identify and assess necessary improvements to dams,
12		reservoirs, irrigation systems, and transportation
13		networks;
14	(4)	The purchase of equipment necessary for agricultural
15		production or processing activity;
16	(5)	The conduct of research on and testing of agricultural
17		products and markets;
18	(6)	The funding of agricultural inspector positions within
19		the department of agriculture;
20	(7)	The promotion and marketing of agricultural products
21		grown or raised in the State;



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1	(8)	Water quality testing and improvement; and
2	(9)	Any other activity intended to increase agricultural
3		production or processing that may lead to reduced
4		importation of food, fodder, or feed from outside the
5		<u>State.</u>
6	(d)	The department of agriculture shall submit a report to
7	the legis	lature no later than twenty days prior to the convening
8	<u>of each r</u>	egular session on the status and progress of existing
9	programs	and activities and the status of new programs and
10	activitie	s funded under the agricultural development and food
11	security	special fund. The report shall also include:
12	(1)	The spending plan of the agricultural development and
13		food security special fund;
14	(2)	All expenditures of agricultural development and food
15		security special fund moneys;
16	(3)	The targeted markets of the expenditures, including
17		the reason for selecting those markets;
18	(4)	The persons to be served using the expenditures; and
19	(5)	The specific objectives of the expenditures, including
20		measurable outcomes."



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1	SECTION 2. Section 243-3.5, Hawaii Revised Statutes, is
2	amended by amending subsections (a) and (b) to read as follows:
3	"(a) In addition to any other taxes provided by law,
4	subject to the exemptions set forth in section 243-7, there is
5	hereby imposed a state environmental response, energy, and food
6	security tax on each barrel or fractional part of a barrel of
7	petroleum product sold by a distributor to any retail dealer or
8	end user of petroleum product, other than a refiner. The tax
9	shall be \$1.05 on each barrel or fractional part of a barrel of
10	petroleum product that is not aviation fuel; provided that of
11	the tax collected pursuant to this subsection:
12	(1) 5 cents of the tax on each barrel shall be deposited
13	into the environmental response revolving fund
14	established under section 128D-2;
15	(2) 4 cents of the tax on each barrel shall be deposited
16	into the energy security special fund established
17	under section 201-12.8;
18	(3) 5 cents of the tax on each barrel shall be deposited
19	into the energy systems development special fund
20	established under section 304A-2169.1;

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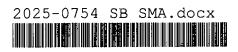
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1	(4)	3 cents of the tax on each barrel shall be deposited	
2		into the electric vehicle charging system subaccount	
3		established pursuant to section 269-33(e); [and]	
4	(5)	3 cents of the tax on each barrel shall be deposited	
5		into the hydrogen fueling system subaccount	
6		established pursuant to section 269-33(f)[ $\pm$ ]; and	
7	(6)	cents of the tax on each barrel shall be	
8		deposited into the agricultural development and food	
9		security special fund established under	
10		section 141	
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 o	n 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 re	finer, of fossil fuel. The tax shall be 19 cents on	
17	each one	million British thermal units of fossil fuel; provided	
18	that of t	he 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	



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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; [and]
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)	cents of the tax on each million British thermal
12		units shall be deposited into the agricultural
13		development and food security special fund established
14		under section 141
15	The	tax imposed by this subsection shall be paid by the
16	distribut	or of the fossil fuel."
17	SECT	ION 3. There is appropriated out of the general
18	revenues	of the State of Hawaii the sum of \$ or so
19	much ther	eof as may be necessary for fiscal year 2025-2026 and
20	the same	sum or so much thereof as may be necessary for fiscal
21	year 2026	-2027 to increase the base budget of the department of



agriculture to an amount equal to three per cent of the state
budget.

3 The sums appropriated shall be expended by the department4 of agriculture for the purposes of this Act.

5 SECTION 4. Statutory material to be repealed is bracketed6 and stricken. New statutory material is underscored.

7 SECTION 5. This Act shall take effect on July 1, 2025.

INTRODUCED BY: Mile Jobber 9



#### Report Title:

DOA; Agricultural Development and Food Security Special Fund; Environmental Response, Energy, and Food Security Tax; State Budget; Appropriations

#### Description:

Establishes the Agricultural Development and Food Security Special Fund. Requires a portion of the Environmental Response, Energy, and Food Security Tax to be deposited into the special fund. Appropriates funds for the Department of Agriculture in an amount equal to three per cent of the State Budget.

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