

JAN 17 2025

A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

SECTION 1. Chapter 141, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§141- Agricultural development and food security special fund; establishment. (a) There is established within the state treasury the agricultural development and food security special fund.

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

(1) The portion of the environmental response, energy, and food security tax specified under section 243-3.5;

(2) Any appropriation by the legislature into the special fund;

(3) Any grant or donation made to the special fund; and

(4) Any interest earned on the balance of the special 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 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;



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 State.

6 (d) The department of agriculture shall submit a report to
7 the legislature no later than twenty days prior to the convening
8 of each regular session on the status and progress of existing
9 programs and activities and the status of new programs and
10 activities 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."



SECTION 2. Section 243-3.5, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

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

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

(2) 4 cents of the tax on each barrel shall be deposited into the energy security special fund established under section 201-12.8;

(3) 5 cents of the tax on each barrel shall be deposited into the energy systems development special fund established under section 304A-2169.1;



(4) 3 cents of the tax on each barrel shall be deposited into the electric vehicle charging system subaccount established pursuant to section 269-33(e); ~~[and]~~

(5) 3 cents of the tax on each barrel shall be deposited into the hydrogen fueling system subaccount established pursuant to section 269-33(f) ~~[-]~~; and

(6) _____ cents of the tax on each barrel shall be deposited into the agricultural development and food security special fund established under section 141- .

The tax imposed by this subsection shall be paid by the distributor of the petroleum product.

(b) In addition to subsection (a), the tax shall also be imposed on each one million British thermal units of fossil fuel sold by a distributor to any retail dealer or end user, other than a refiner, of fossil fuel. The tax shall be 19 cents on each one million British thermal units of fossil fuel; provided that of the tax collected pursuant to this subsection:

(1) 4.8 per cent of the tax on each one million British 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; ~~[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 distributor of the fossil fuel."

17 SECTION 3. There is appropriated out of the general
18 revenues of the State of Hawaii the sum of \$ or so
19 much thereof 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



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

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

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

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

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INTRODUCED BY:

Mike Hubbard



S.B. NO. 1155

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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