

ACT 171

H.B. NO. 2029

A Bill for an Act Relating to Water Infrastructure Loans.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 155, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read as follows:

“PART II. WATER INFRASTRUCTURE LOANS

§155-A Definitions. As used in this part:

“Department” means the department of agriculture.

“Water infrastructure charge” means the on-bill charges for the use and services of the loan program, including the repayment of loans made under the loan program to be imposed on water utility customers.

“Water infrastructure equipment” means infrastructure improvements, equipment, and personal property to be installed for dams, reservoirs, hydroelectric pumping, storm water reclamation, ditch maintenance, spillways, wells, water ducts, and water distribution systems.

“Water infrastructure loans” and “loan program” means the program established by this part and loans made to finance the purchase or installation of water infrastructure equipment for dams, reservoirs, hydroelectric pumping,

storm water reclamation, ditch maintenance, spillways, wells, water ducts, and water distribution systems.

“Water infrastructure special fund” means the special fund created pursuant to section 155-D.

§155-B Hawaii water infrastructure loan program. There is established a Hawaii water infrastructure loan program, which shall be a loan program as defined under section 39-51. The program shall be administered by the department in a manner consistent with chapter 39, part III. This loan program may include:

- (1) Loans made, on terms approved by the department, to private entities, whether corporations, partnerships, limited liability companies, or other persons, which entities may lease or provide water infrastructure equipment to utility customers; and
- (2) Direct loans to utility customers, on terms approved by the department.

§155-C Powers of the department. The department shall have the following powers:

- (1) Make loans and expend funds to finance the purchase or installation of water infrastructure equipment for dams, reservoirs, hydroelectric pumping, storm water reclamation, ditch maintenance, spillways, wells, water ducts, and water distribution systems;
- (2) Hold and invest moneys in the water infrastructure special fund in investments as permitted by law;
- (3) Hire employees necessary to perform its duties;
- (4) Enter into contracts for the service of consultants for rendering professional and technical assistance and advice, and any other contracts that are necessary and proper for the implementation of the loan program;
- (5) Enter into contracts for the administration of the loan program, in accordance with chapter 103D;
- (6) Establish loan program guidelines to carry out the purposes of this part;
- (7) Perform all functions necessary to effectuate the purposes of this part;
- (8) Delegate authority to the chairperson of the board of agriculture to approve loans where the requested amount plus any principal balance on existing loans to the applicant does not exceed \$25,000 of state funds; and
- (9) Adopt rules pursuant to chapter 91 necessary for the purpose of this part.

§155-D Hawaii water infrastructure special fund. (a) There is established the Hawaii water infrastructure special fund into which shall be deposited:

- (1) Water infrastructure charges received for the use and services of the loan program, including the repayment of loans made under the loan program;
- (2) All other funds received by the department and legally available for the purposes of the water infrastructure special fund;
- (3) Interest earnings on all amounts in the water infrastructure special fund; and
- (4) Any other moneys permitted by the board of agriculture.

(b) Moneys in the water infrastructure special fund may be used for the purposes of:

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- (1) Making water infrastructure loans;
- (2) Paying administrative costs of the loan program; or
- (3) Paying any other costs related to the loan program.”

SECTION 2. Chapter 155, Hawaii Revised Statutes, is amended by amending the title of the chapter to read as follows:

“AGRICULTURAL [~~LOAN~~] AND WATER INFRASTRUCTURE LOANS”

SECTION 3. Chapter 155, Hawaii Revised Statutes, is amended by designating sections 155-1 to 155-14 as part I and inserting a title before section 155-1 to read as follows:

“PART I. AGRICULTURAL LOAN PROGRAM”

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$800,000 or so much thereof as may be necessary for fiscal year 2016-2017 for deposit into the Hawaii water infrastructure special fund.

There is appropriated out of the Hawaii water infrastructure special fund the sum of \$800,000 or so much thereof as may be necessary for fiscal year 2016-2017 for the purposes of the fund.

The sum appropriated shall be expended by the department of agriculture for the purposes of this Act.

SECTION 5. In codifying the new sections added by section 1 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

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

SECTION 7. This Act shall take effect on July 1, 2016.

(Approved June 30, 2016.)

Note

1. Prior to amendment “loans” appeared here.