

ACT 255

H.B. NO. 1982

A Bill for an Act Relating to the Issuance of Special Purpose Revenue Bonds to Assist Big Island Dairy, LLC.

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

SECTION 1. The legislature finds that support for local agriculture continues to be in the public interest. Big Island Dairy LLC operates a dairy farm in Ookala, one of only two commercial dairies remaining in the State. The production of fresh, locally-grown milk offers Hawaii consumers a healthy choice for their diets. While Big Island Dairy LLC plays a vital role in Hawaii's agriculture and economy, the company faces increasing competition from mainland producers.

The legislature further finds that Big Island Dairy LLC's operation of its dairy farm in Ookala is an agricultural enterprise under part X, chapter 39A, Hawaii Revised Statutes, and may be assisted through the issuance of special purpose revenue bonds. The legislature finds and declares that the issuance of special purpose revenue bonds under this Act is in the public interest and for the public health, safety, and general welfare.

The purpose of this Act is to authorize the issuance of special purpose revenue bonds to assist Big Island Dairy LLC with the operation of its dairy farm in Ookala.

SECTION 2. Pursuant to part X, chapter 39A, Hawaii Revised Statutes, the department of budget and finance, with the approval of the governor, is authorized to issue special purpose revenue bonds in a total amount not to exceed \$10,000,000 in one or more series, for the purpose of assisting Big Island Dairy LLC, a Hawaii limited liability company, with the operation of its dairy farm in Ookala. The legislature hereby finds and determines that Big Island Dairy LLC's operation of its dairy farm in Ookala constitutes a project as defined in part X, chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to an agricultural enterprise.

SECTION 3. The special purpose revenue bonds and the refunding special purpose revenue bonds issued under this Act shall be issued pursuant to part X, chapter 39A, Hawaii Revised Statutes, relating to the power to issue special purpose revenue bonds to assist agricultural enterprises.

SECTION 4. The department of budget and finance is authorized, from time to time, including times subsequent to June 30, 2021, to issue special purpose revenue bonds in whatever principal amounts the department shall determine to be necessary to refund the special purpose revenue bonds authorized in section 2 and to refund special purpose revenue bonds authorized by this section, regardless of whether the outstanding special purpose revenue bonds or refunding special purpose revenue bonds have matured or are the subject of redemption or whether the refunding special purpose revenue bonds shall be bonds for the multi-project programs described in section 2. In making this determination, the department shall comply with federal law relating to the exemption from federal income taxation of the interest on bonds of the nature authorized by this section.

SECTION 5. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 2021.

SECTION 6. This Act shall take effect on July 1, 2016.

(Approved July 12, 2016.)