July 8, 2008

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fourth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

I am transmitting herewith HB2085 HD1 SD2, without my approval, and with the statement of objections relating to the measure.

HB2085 HD1 SD2 A BILL FOR AN ACT RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION.

Sincerely,

LINDA LINGLE
STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 2085

Honorable Members
Twenty-Fourth Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 2085, entitled "A Bill for an Act Relating to the Agribusiness Development Corporation."

The stated purpose of this bill is to add additional requirements on who can be appointed members of the Agribusiness Development Corporation's board of directors and requires the Agribusiness Development Corporation to submit another plan to the Legislature before the 2009 regular session.

Micromanaging who can become board members of the Agribusiness Development Corporation would decrease the availability of persons able to serve, which, in turn, could jeopardize the filling of the seats on the board and the corporation's ability to meet its quorum requirements. There has been no evidence that current board members have not adequately represented agricultural interests in the community. Further, adding members with a distribution or transportation focus could divert the Agribusiness Development Corporation from its primary role of maintaining water and land resources for agriculture.

The requirement of the additional legislative report is not necessary. The 2007 Legislative Reference Bureau report entitled, "Agribusiness Development Corporation: Revisited," stated that there have been numerous studies and plans regarding
agribusiness over the years. The report found that the focus of the Agribusiness Development Corporation should be the implementation of existing plans rather than the formulation of yet another plan. The Agribusiness Development Corporation's latest plan focuses on the transition of former plantation lands and water systems to those that will better support diversified agriculture and the development of facilities for diversified agriculture. The latest plan is consistent with the corporation's mission. The development of yet another plan will not further achieve the corporation's mission and will divert the time and talents of its small staff.

Finally, I would note the unanimous objections of the agricultural community to the content of this bill. Out of respect for and appreciation of their understanding of the real needs of the agricultural sector, this bill should not become law.

For the foregoing reasons, I am returning House Bill No. 2085 without my approval.

Respectfully,

LINDA LINLIE
Governor of Hawaii
A BILL FOR AN ACT

RELATING TO THE AGribUSINESS DEVELOPMENT CORPORATION.

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

SECTION 1. The agribusiness development corporation is the State's primary agency with respect to assisting and supporting our agricultural businesses. Section 163D-1, Hawaii Revised Statutes, describes the purpose of the corporation as conceived by the legislature. It reads, in part:

"Constantly evolving economies require an aggressive and dynamic leadership for the promotion and development of agricultural enterprises, and centralized leadership to coordinate industry development, provide industry-wide services, provide marketing assistance, and facilitate investments and coventures in viable enterprises.

The purpose of this chapter is to create a vehicle and process to make optimal use of agricultural assets for the economic, environmental, and social benefit of the people of Hawaii. This chapter establishes a public corporation to administer an aggressive and dynamic agribusiness development program. The corporation shall coordinate and administer programs to assist agricultural enterprises to facilitate the
transition of agricultural infrastructure from plantation
operations into other agricultural enterprises, to carry on the
marketing analysis to direct agricultural industry evolution,
and to provide the leadership for the development, financing,
 improvement, or enhancement of agricultural enterprises."

The purpose of this Act is to improve the effectiveness and
leadership of the agribusiness development corporation by
expanding the fields of which members of the board of the
agribusiness development corporation are required to possess
knowledge, experience, and expertise to include retail,
wholesale, and distribution involving agricultural products,
packaging and processing of agricultural products,
transportation and shipping of agricultural products, or venture
capital involving agricultural businesses. It is further the
purpose of this Act to require the agribusiness development
corporation to develop a five-year strategic plan to be
presented to the legislature prior to the 2009 regular session.

SECTION 2. Section 163D-3, Hawaii Revised Statutes, is
amended by amending subsection (b) to read as follows:
"(b) The board of directors of the corporation shall
consist of eleven voting members, of whom eight shall be
appointed by the governor. The terms of these eight members

shall be four years; provided that, commencing on July 1, 2005, the governor shall reduce the terms of those initially appointed so as to provide, as nearly as can be, for the expiration of an equal number of terms at intervals of one year. The eight members shall be selected on the basis of their knowledge, experience, and proven expertise in small and large businesses within the agricultural industry, agricultural economics, banking, real estate, finance, promotion, marketing, management, retail, wholesale, and distribution involving agricultural products, packaging and processing of agricultural products, transportation and shipping of agricultural products, or venture capital involving agricultural businesses. Of these eight members, one shall be from the city and county of Honolulu, one shall be from the county of Hawaii, one shall be from the county of Maui, one shall be from the county of Kauai, and four shall be appointed at-large. The director of business, economic development, and tourism; the chairperson of the board of agriculture; and the chairperson of the board of land and natural resources, or their designated representatives, shall be ex-officio, voting members of the board. All members shall continue in office until their respective successors have been appointed and qualified. The board shall annually elect its
chairperson from among its members; provided that the
chairperson shall not be an ex-officio member."

SECTION 3. The agribusiness development corporation shall
complete a five year strategic plan which shall include the
expansion of its operations from water and land projects to
include those issues identified in section 163D-1, Hawaii
Revised Statutes. The strategic plan shall include, but not be
limited to, identification and discussion of personnel and
funding needs, new project areas such as marketing and
agricultural enterprise development, proposed benchmarks and
time lines for implementation, and recommendations for changes
to the composition of the agribusiness development corporation
board to better achieve the goals set forth in the strategic
plan.

The strategic plan shall be submitted to the legislature by
no later than twenty days prior to the convening of 2009 regular
session.

SECTION 4. All acts passed prior to or during this regular
session of 2008, whether enacted before or after passage of this
Act, shall be interpreted to conform to this Act, unless the
acts specifically provide that this Act is being amended.
Insofar as this Act is inconsistent with any other law, this Act shall control.

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

SECTION 6. This Act shall take effect upon its approval; provided that the amendment to section 163D-3(b), Hawaii Revised Statutes, requiring members of the board of directors of the agribusiness development corporation to have certain specified knowledge, experience, and expertise, shall be effective upon the next appointment and subsequent appointments until the composition of the board complies with this Act.