

STAND. COM. REP. NO.

2530

Honolulu, Hawaii

MAR 03 2016

RE: S.B. No. 2804
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2804, S.D. 1, entitled:

"A BILL FOR AN ACT AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST BIG ISLAND DAIRY, LLC,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the Department of Budget and Finance to issue up to \$10,000,000 in special purpose revenue bonds on behalf of Big Island Dairy, LLC, for the planning, design, and construction of a new milk processing facility and related appurtenances and costs.

Your Committee received written comments in support of this measure from the Department of Agriculture, Hawaii Farm Bureau, and the Ulupono Initiative. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee notes that there is only one milk processor in the State. The situation places an undue burden on the State's two remaining local dairies, which have to accept the price of milk from the processor or risk discarding their unsold milk. Your Committee finds that Big Island Dairy, LLC's proposed processing facility will provide local dairies the opportunity to choose where to sell their milk, thus creating a more competitive market. Your Committee further finds that the issuance of special purpose revenue bonds for these purposes is in the public interest and for the public health, safety, and general welfare.

SB2804 SD2 SSCR LRB 16-1006-1.doc



Your Committee has amended this measure by:

- (1) Clarifying that Big Island Dairy, LLC, is a limited liability company; and
- (2) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2804, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2804, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



JILL N. TOKUDA, Chair



