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# 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:**

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

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



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

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

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

20 SECTION 4. The department of budget and finance is  
21 authorized, from time to time, including times subsequent to



1 June 30, 2021, to issue special purpose revenue bonds in  
2 whatever principal amounts the department shall determine to be  
3 necessary to refund the special purpose revenue bonds authorized  
4 in section 2 and to refund special purpose revenue bonds  
5 authorized by this section, regardless of whether the  
6 outstanding special purpose revenue bonds or refunding special  
7 purpose revenue bonds have matured or are the subject of  
8 redemption or whether the refunding special purpose revenue  
9 bonds shall be bonds for the multi-project programs described in  
10 section 2. In making this determination, the department shall  
11 comply with federal law relating to the exemption from federal  
12 income taxation of the interest on bonds of the nature  
13 authorized by this section.

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

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

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**Report Title:**

Special Purpose Revenue Bonds; Agriculture; Big Island Dairy LLC

**Description:**

Authorizes the issuance of special purpose revenue bonds to assist Big Island Dairy LLC with the operation of its dairy farm in Ookala. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

