
A BILL FOR AN ACT

RELATING TO WATER INFRASTRUCTURE LOANS.

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

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

4 "PART II. WATER INFRASTRUCTURE LOANS

5 §155-A Definitions. As used in this part:

6 "Department" means the department of agriculture.

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

11 "Water infrastructure equipment" means infrastructure
12 improvements, equipment, and personal property to be installed
13 for dams, reservoirs, hydroelectric pumping, storm water
14 reclamation, ditch maintenance, spillways, wells, water ducts,
15 and water distribution systems.

16 "Water infrastructure loans" and "loan program" means the
17 program established by this part and loans made to finance the
18 purchase or installation of water infrastructure equipment for



1 dams, reservoirs, hydroelectric pumping, storm water
2 reclamation, ditch maintenance, spillways, wells, water ducts,
3 and water distribution systems.

4 "Water infrastructure special fund" means the special fund
5 created pursuant to section 155-D.

6 §155-B Hawaii water infrastructure loan program. There is
7 established a Hawaii water infrastructure loan program, which
8 shall be a loan program as defined under section 39-51. The
9 program shall be administered by the department in a manner
10 consistent with chapter 39, part III. This loan program may
11 include:

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

19 §155-C Powers of the department. The department shall
20 have the following powers:



- 1 (1) Make loans and expend funds to finance the purchase or
2 installation of water infrastructure equipment for
3 dams, reservoirs, hydroelectric pumping, storm water
4 reclamation, ditch maintenance, spillways, wells,
5 water ducts, and water distribution systems;
- 6 (2) Hold and invest moneys in the water infrastructure
7 special fund in investments as permitted by law;
- 8 (3) Hire employees necessary to perform its duties;
- 9 (4) Enter into contracts for the service of consultants
10 for rendering professional and technical assistance
11 and advice, and any other contracts that are necessary
12 and proper for the implementation of the loan program;
- 13 (5) Enter into contracts for the administration of the
14 loan program, in accordance with chapter 103D;
- 15 (6) Establish loan program guidelines to carry out the
16 purposes of this part;
- 17 (7) Perform all functions necessary to effectuate the
18 purposes of this part;
- 19 (8) Delegate authority to the chairperson of the board of
20 agriculture to approve loans where the requested
21 amount plus any principal balance on existing loans to



1 the applicant does not exceed \$25,000 of state funds;
2 and

3 (9) Adopt rules pursuant to chapter 91 necessary for the
4 purpose of this part.

5 §155-D Hawaii water infrastructure special fund. (a)

6 There is established the Hawaii water infrastructure special
7 fund into which shall be deposited:

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

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

- 20 (1) Making water infrastructure loans;
- 21 (2) Paying administrative costs of the loan program; or



1 (3) Paying any other costs related to the loan program."

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

4 "AGRICULTURAL [~~LOAN~~] AND WATER INFRASTRUCTURE LOANS"

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

8 "PART I. AGRICULTURAL LOAN PROGRAM"

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

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

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

19 SECTION 5. In codifying the new sections added by
20 section 1 of this Act, the revisor of statutes shall substitute



1 appropriate section numbers for the letters used in designating
2 the new sections in this Act.

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

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



Report Title:

Water Infrastructure Loans; Infrastructure Financing;
Appropriation

Description:

Establishes the Water Infrastructure Loan Program under the Department of Agriculture. Allows the Department to make loans for the purchase and installation of water infrastructure improvements, equipment, and property. Establishes the water infrastructure special fund. Makes appropriation. (HB2029 CD1)

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