

JAN 25 2017

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# A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1           SECTION 1. The purpose of this Act is to provide creative  
2 means of financing for agriculture businesses in Hawaii by:

3           (1) Establishing the agriculture accelerator program to  
4 authorize the agribusiness development corporation to  
5 provide grants and invest in existing or new  
6 agriculture businesses approved by the board of  
7 agriculture in return for equity in those agriculture  
8 businesses;

9           (2) Establishing an agriculture accelerator special fund  
10 to provide funds for the agribusiness development  
11 corporation to provide grants to and invest in  
12 agriculture businesses under the agriculture  
13 accelerator program; and

14           (3) Collecting an unspecified amount from the tax of each  
15 barrel under the environmental response, energy, and  
16 food security tax to be deposited into the agriculture  
17 accelerator special fund.



1 SECTION 2. Chapter 163D, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4 "§163D- Agriculture accelerator program; special fund.

5 (a) There is established agriculture accelerator grant program  
6 to be administered by the corporation. The corporation is  
7 authorized to provide grants to existing or new agriculture  
8 businesses that engage in farming, aquaculture, or ranching  
9 activities in the State in return for one to six per cent equity  
10 in the agriculture business; provided that these agriculture  
11 businesses shall be approved by the board. Grant moneys  
12 received by an agriculture business under the program shall be  
13 used for the following purposes:

- 14 (1) Purchasing equipment;
- 15 (2) Improving energy efficiency;
- 16 (3) Studying, planning, and constructing a new process and  
17 packaging facility;
- 18 (4) Training in food safety technology;
- 19 (5) Acquiring branding and marketing support; or
- 20 (6) Other uses approved by the board.



1        (b) The corporation is authorized to invest in other  
2 agriculture businesses under this program in return for equity  
3 in the agriculture business; provided that these agriculture  
4 businesses shall be approved by the board.

5        (c) There is established within the state treasury the  
6 agriculture accelerator special fund. The following moneys  
7 shall be deposited into the special fund:

8        (1) The portion of the environmental response, energy, and  
9 food security tax under section 243-3.5;

10       (2) Any appropriation by the legislature into the special  
11 fund;

12       (3) Any grant or donation made to the special fund; and

13       (4) Any interest earned on the balance of the special  
14 fund.

15 Money in the special fund shall be used by the corporation to  
16 provide grants to and invest in existing or new agriculture  
17 businesses under the agriculture accelerator program; provided  
18 that any moneys deposited into the special fund shall be  
19 expended at the sole discretion of the board to assist  
20 agriculture businesses that engage in farming, aquaculture, or  
21 ranching activities in the State.



1        (d) The board shall adopt rules pursuant to chapter 91 to  
2 implement the purposes of this section."

3        SECTION 3. Section 243-3.5, Hawaii Revised Statutes, is  
4 amended by amending subsection (a) to read as follows:

5        "(a) In addition to any other taxes provided by law,  
6 subject to the exemptions set forth in section 243-7, there is  
7 hereby imposed a state environmental response, energy, and food  
8 security tax on each barrel or fractional part of a barrel of  
9 petroleum product sold by a distributor to any retail dealer or  
10 end user of petroleum product, other than a refiner. The tax  
11 shall be \$1.05 on each barrel or fractional part of a barrel of  
12 petroleum product that is not aviation fuel; provided that of  
13 the tax collected pursuant to this subsection:

14        (1) 5 cents of the tax on each barrel shall be deposited  
15            into the environmental response revolving fund  
16            established under section 128D-2;

17        (2) 15 cents of the tax on each barrel shall be deposited  
18            into the energy security special fund established  
19            under section 201-12.8;



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- 1           (3) 10 cents of the tax on each barrel shall be deposited
- 2                   into the energy systems development special fund
- 3                   established under section 304A-2169.1; [~~and~~]
- 4           (4) 15 cents of the tax on each barrel shall be deposited
- 5                   into the agricultural development and food security
- 6                   special fund established under section 141-10[~~-~~]; and
- 7           (5) \_\_\_\_\_ cents of the tax on each barrel shall be
- 8                   deposited into the agriculture accelerator special
- 9                   fund established under section 163D- .

10           The tax imposed by this subsection shall be paid by the

11 distributor of the petroleum product."

12           SECTION 4. Statutory material to be repealed is bracketed

13 and stricken. New statutory material is underscored.

14           SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY:

The block contains three handwritten signatures. The first is a large, stylized signature on the left. The second is a signature in the middle, which appears to be 'Lorraine R. ...'. The third is a signature on the right, with the name 'Michelle R. Kudani' written in print below it.



# S.B. NO. 1204

**Report Title:**

Agriculture; Agribusiness Development Corporation; Board of Agriculture; Special Fund; Environmental Response, Energy, and Food Security Tax

**Description:**

Establishes the agriculture accelerator program to authorize the agribusiness development corporation to provide grants and invest in existing or new agriculture businesses approved by the board of agriculture in return for equity in those agriculture businesses. Establishes an agriculture accelerator special fund to provide funds for the agribusiness development corporation to provide grants to and invest in agriculture businesses under the agriculture accelerator program. Collects an unspecified amount from the tax of each barrel under environmental response, energy, and food security tax to be deposited into the agriculture accelerator special fund.

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

