
A BILL FOR AN ACT

RELATING TO AGRICULTURAL LOANS.

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

1 SECTION 1. The legislature finds that the commitment of
2 the private sector is critical to the success of any industry
3 and that the Hawaii Agriculture Research Center (HARC)
4 exemplifies such commitment. The legislature also finds that
5 HARC serves as a model of private-public partnerships for
6 agricultural research and has effectively partnered with public
7 institutions in facilitating agricultural technology transfer
8 and maximizing the use of limited community resources. Most of
9 HARC's funding comes from the private sector, which provides the
10 accountability demanded by its stakeholders and benefits farm
11 production and the local economy.

12 The legislature further recognizes that HARC has assisted
13 the agricultural sector considerably in its transition from
14 traditional crops to biotechnology. HARC has also provided
15 assistance in the research and development of new products.
16 Finally, HARC has also demonstrated its ability to attract new
17 agricultural business to the state.



1 Because of its demonstrated dedication to the maintenance,
2 improvement, and expansion of the agricultural sector, the
3 legislature finds that HARC is an integral part of the
4 infrastructure needed to support an economically viable
5 agricultural sector.

6 HARC has operated an experimental field station on Oahu for
7 over forty years in an area that is considered among the best
8 agricultural lands on Oahu. HARC is working with the U.S.
9 Department of Agriculture's Natural Resources Conservation
10 Service in its Farm and Ranchland Protection Program to dedicate
11 this parcel to agriculture in perpetuity.

12 In an effort to be more efficient with respect to its
13 laboratory and related field operations, HARC intends to locate
14 its research laboratory facilities at this same location. In
15 addition, it intends to provide sufficient space to provide for
16 an agricultural community center. This center would have an
17 agricultural library, audio and video state conferencing
18 capabilities, meeting and training rooms, an educational ground
19 plan, and office space for agricultural associations.

20 HARC is seeking a state agricultural loan to cover the
21 costs of constructing the new facilities at the lowest interest
22 rate available over the longest term possible, assuring that a



1 greater portion of the funds received by HARC for agricultural
2 research will be going to that purpose rather than to debt
3 service.

4 The purpose of this Act is to provide HARC, a non-profit
5 agricultural organization, with a state agricultural loan of up
6 to \$5,000,000 to construct suitable facilities for agricultural
7 research and an agricultural community center.

8 SECTION 2. There is appropriated out of the general
9 revenues of the State of Hawaii the sum of \$5,000,000 or so much
10 thereof as may be necessary for fiscal year 2006-2007 to be paid
11 into the agricultural loan revolving fund created in section
12 155-14, Hawaii Revised Statutes.

13 The sum appropriated shall be expended by the department of
14 budget and finance for the purposes of this Act.

15 SECTION 3. There is appropriated out of the agricultural
16 loan revolving fund the sum of \$5,000,000 or so much thereof as
17 may be necessary for fiscal year 2006-2007 to provide loans to
18 the Hawaii Agriculture Research Center to construct suitable
19 facilities for agricultural research and an agricultural
20 community center.

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



1 SECTION 4. In addition to any loan authorized under
2 chapter 155 or 219, Hawaii Revised Statutes, the department of
3 agriculture may make additional loans totaling not more than
4 \$5,000,000 from the agricultural loan revolving fund to carry
5 out the purposes of this Act. The board of agriculture is
6 authorized to waive any provision of chapter 155, Hawaii Revised
7 Statutes, as deemed necessary to effectuate this Act with the
8 exception of the following conditions:

- 9 (1) Interest charged shall not be less than the current
10 rate for qualified farmers;
- 11 (2) Collateral shall consist of assets deemed reasonable
12 by the board of agriculture; and
- 13 (3) Loans provided by this Act shall be authorized only if
14 these loans cannot be made by two lenders.

15 SECTION 5. This Act shall take effect on July 1, 2006.



HB2960 HD1

Report Title:

Hawaii Agriculture Research Center; Agricultural Loans

Description:

Appropriates \$5,000,000 out of the general fund to the agricultural loan revolving fund to provide loans to the Hawaii Agriculture Research Center to construct agricultural research and community center facilities. (HB2960 HD1)

