

Honolulu, Hawaii

Feb. 16, 2006

RE: S.B. No. 2235

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Water, Land, and Agriculture, to which was referred S.B. No. 2235 entitled:

"A BILL FOR AN ACT RELATING TO DEPARTMENT OF AGRICULTURE
LOANS,"

begs leave to report as follows:

The purpose of this measure is to allow the Department of Agriculture to delegate to the Chairperson of the Board of Agriculture the authority to approve loans when the requested amount and the principal balance on existing loans do not exceed \$75,000.

Testimony in support of this measure was submitted by the Department of Agriculture (DOA), the Hawaii Agriculture Research Center, the Hawaii Farm Bureau, the Hawaii Aquaculture Association, the Hawaii Crop Improvement Association, and C&H Farms.

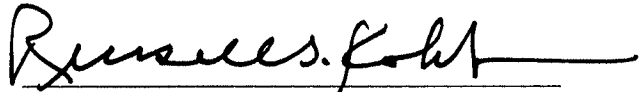
Your Committee finds that, under the current law, the DOA may delegate to the Chairperson of the Board of Agriculture the authority to approve loans when the requested amount plus any principal balance on existing loans does not exceed \$25,000. This loan approval ceiling has not increased since the authority was granted in 1982. Your Committee further finds that over the past three years, approximately one-third of the loan requests to the DOA have been for \$75,000 or less. The DOA has indicated that this measure will reduce the approval time for smaller loans, loans for \$75,000 or less, by one to two months. Your Committee believes that changes in the agricultural and aquacultural



industries necessitate the expedited approval of increased loan amounts in order to streamline the system, better serve the needs of the industries, and allow the Board additional time and resources to carefully consider the approval of other larger loan requests.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2235 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Water, Land, and
Agriculture,



RUSSELL S. KOKUBUN, Chair



