

STAND. COM. REP. NO.

1392

Honolulu, Hawaii

March 23, 2007

RE: S.B. No. 662
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Agriculture, to which was referred S.B. No. 662, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO IMPORTANT AGRICULTURAL LANDS
LOAN GUARANTY, "

begs leave to report as follows:

The purpose of this bill is to provide incentives for the designation of important agricultural lands (IALs) by allowing the Chairperson of the Board of Agriculture to guarantee loans made by commercial lenders to agricultural producers for the purpose of developing and implementing agricultural projects located on IALs.

Maui County Farm Bureau, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc., supported this bill. The Department of Agriculture, Hawaii Farm Bureau Federation, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, and Kauai Coffee Company, Inc., supported this bill with amendments. The Department of Budget and Finance and the Land Use Research Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

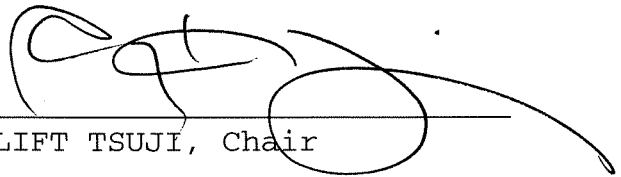
SB662 HD1 HSCR AGR HMS 2007-3294



- (1) Clarifying that the loan guaranty may be up to 85 percent of the outstanding principal amount of the loan; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 662, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 662, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Agriculture,



CLIFT TSUJI, Chair



