

Honolulu, Hawaii

FEB 28 2008

RE: S.B. No. 2639
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B.
No. 2639 entitled:

"A BILL FOR AN ACT RELATING TO LOANS FOR AGRICULTURAL AND
AQUACULTURE PURPOSES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Increase aquaculture loan limits for class A and B loans to \$800,000;
- (2) Make credit denial requirements for aquaculture loans consistent with the requirements for agricultural loans;
- (3) Create the New Aquaculturist Program within the Aquaculture Loan Program;
- (4) Transfer and incorporate aquaculture loan funds into the Agricultural Loan Revolving Fund; and
- (5) Increase the expenditure ceiling of the Agricultural Loan Revolving Fund up to the combined ceiling total for the agricultural and aquaculture loan revolving funds.

The Department of Agriculture; HECO Utilities; and Hawaii Oceanic Technology, Inc. submitted testimony in support of this measure.



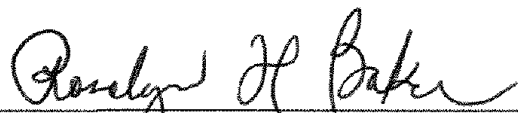
Currently, the Department of Agriculture administers two separate loan programs, one for agriculture and one for aquaculture. This measure will provide greater funding flexibility by combining the two programs and allowing for increased loan limits.

Upon further consideration, your Committee has amended this measure by:

- (1) Clarifying that on July 1, 2008, the Director of Finance shall transfer all unexpended and unencumbered balances remaining in the Aquaculture Loan Reserve Fund to the credit of the Agricultural Loan "Reserve" Fund, rather than the Agricultural Loan "Revolving" Fund; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2639, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2639, S.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



ROSALYN H. BAKER, Chair



