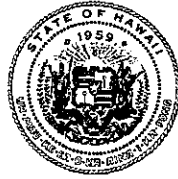


HB 3126

LINDA LINGLE
GOVERNOR
STATE OF HAWAII



MICAH A. KANE
CHAIRMAN
HAWAIIAN HOMES COMMISSION

BEN HENDERSON
DEPUTY TO THE CHAIRMAN

KAULANA H. PARK
EXECUTIVE ASSISTANT

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

P.O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF MICAH A. KANE, CHAIRMAN
HAWAIIAN HOMES COMMISSION

BEFORE THE SENATE COMMITTEE ON AGRICULTURE AND HAWAIIAN AFFAIRS

ON H. B. 3126
RELATING TO THE HAWAIIAN HOMES COMMISSION ACT

March 11, 2008

Chair Tokuda, Vice Chair English and Members of the Committee:

Thank you for the opportunity to testify in support of H.B. 3126, relating to the Hawaiian Homes Commission Act, 1920, as amended (HHCA). This measure is similar to SB 3048 SD1 which has since crossed over to the House for consideration.

The purpose of this Administration bill is to facilitate successful agricultural and ranching activity on Hawaiian home lands by increasing the loan ceiling on agricultural and ranch loans to \$200,000.

The loan ceiling on ranch and agricultural loans is currently \$50,000 and has not been adjusted in over 20 years, while the costs of operating such businesses has continued to increase. In discussions with agricultural homestead lessees on Molokai and Hawaii, the current loan ceiling was identified as a

barrier to implementing successful farming activities. Raising the loan ceiling will help support viable farming and ranching operations among beneficiaries on Hawaiian home lands.

Funding for agricultural and ranch loans is provided from the Hawaiian home general loan fund, a DHHL revolving loan fund. As such, this bill will not impact the general fund or the priorities reflected in the Administration's Supplemental Budget request.

We respectfully request your favorable consideration on H.B. 3126. Thank you for the opportunity to testify on this measure.



HB 3126

Relating to the Hawaiian Homes Commission Act
Senate Committee on Agriculture and Hawaiian Affairs

March 11, 2008

2:45 pm

Room 224

The Office of Hawaiian Affairs supports the purpose and intent of HB 3126 (HSCR 830-08).

The needs of the beneficiaries of the Hawaiian Home Lands Trust are impacted positively by this proposal that will improve and update the program services to native Hawaiians by providing a more realistic source of agricultural lending to carry out the purposes of the native Hawaiian rehabilitation fund.

The unrealistic loan limits on ranch and agricultural loans have contributed to the slow rehabilitation of successful farming activities on homestead lands. The sustainability of agricultural and ranch lands is dependent on viable loan programs to encourage the implementation of successful farming activities.

The beneficiaries of the Hawaiian Home Lands Trust are beneficiaries of the Office of Hawaiian Affairs and meeting their needs to better their housing and economic conditions by providing additional funding to carry out the purposes of the native Hawaiian rehabilitation fund provides much needed updated amendments to the State of Hawaii laws.

Mahalo Nui Loa for the opportunity to provide this testimony.