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TESTIMONY OF MICAH A. KANE, CHAIRMAN
HAWAIIAN HOMES COMMISSION

BEFORE THE HOUSE COMMITTEE ON FINANCE

ON H. B. 3126
RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED

February 22, 2008

Chair Oshiro, Vice Chair Lee 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). 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 since 1982, while the costs of operating such businesses have 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. Moreover, this bill will also support the State's goal to increase agricultural diversification, protect agricultural capacity, and preserve agricultural 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 of H.B. 3126. Thank you for the opportunity to testify on this measure.



HB 3126 Relating to the Hawaiian Homes Commission Act
House Committee on Finance

February 22, 2008
308

1:00 pm

Room

The Office of Hawaiian Affairs supports the purpose and intent of HB 3126.

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.