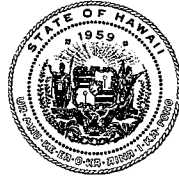


LINDA LINGLE
GOVERNOR
STATE OF HAWAII



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 WAYS AND MEANS

ON S. B. 3048, SD1
RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED

February 21, 2008

Chair Baker, Vice Chair Tsutsui and Members of the Committee:

Thank you for the opportunity to testify in support of S.B. 3048, SD1 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 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 of S.B. 3048 SD1. Thank you for the opportunity to testify on this measure.