

Honolulu, Hawaii

Feb 26, 2010

RE: H.B. No. 2293

H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2293, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF AGRICULTURE,"

begs leave to report as follows:

The purpose of this bill is to establish a temporary source of funds for Department of Agriculture (DOA) personnel and operating costs by:

- (1) Establishing the DOA Staffing Special Fund (Special Fund) to pay salary, fringe benefits, and operating costs of department positions funded from the general fund or Agricultural Loan Reserve Fund as of June 30, 2009;
- (2) Requiring interest and fees collected under the DOA agricultural loan program to be deposited into the Special Fund;
- (3) Requiring the lesser of 50 percent or \$1,000,000 of payments received under the agricultural loan program on account of principal to be deposited into the Special Fund, provided that a reserve is maintained to guarantee loan payments;

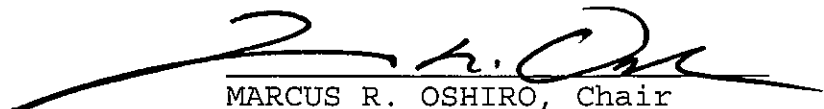


- (4) Repealing DOA's authority to transfer moneys in the Agricultural Loan Revolving Fund to and from the Aquaculture Loan Revolving Fund;
- (5) Repealing these provisions on an unspecified date in the future; and
- (6) Requiring DOA to submit a report to the 2012 Legislature identifying:
 - (a) The amount of money deposited into the Special Fund from July 1, 2010, until December 31, 2011, pursuant to these provisions;
 - (b) The amount of money expended or encumbered during those dates;
 - (c) The projected amount to be deposited into the Special Fund from January 1, 2012, until June 30, 2012; and
 - (d) The DOA's recommendation on whether the provisions should be repealed earlier than June 30, 2015.

Hawaii Farm Bureau Federation testified in support of this bill. The Department of Agriculture provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2293, H.D. 1, and recommends that it pass Third Reading.

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


MARCUS R. OSHIRO, Chair



