
A BILL FOR AN ACT

RELATING TO SMALL BUSINESS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that as the national and
2 state economies struggle to regain momentum, businesses face a
3 continuing shortage of capital. This is a problem for small
4 businesses in particular, as even under optimum economic
5 conditions, they do not have the same financial resources
6 available in the form of loans or other funding options.

7 In 2010, the senate committee on economic development and
8 technology and the house committee on economic revitalization,
9 business, and military affairs convened an informal small
10 business discussion group to address the most critical issues
11 facing the small business sectors within Hawaii's economy.
12 Representatives from the Chamber of Commerce of Hawaii,
13 construction and trades industries, community nonprofits, the
14 agricultural sector, food and restaurant industries, retailing,
15 the science and technology sector, the commercial transportation
16 industry, and interested stakeholders developed a package of
17 bills that address the most pressing problems facing Hawaii's
18 small business community.



1 The purpose of this Act is to support the findings of the
2 small business working group and recommendations to assist
3 Hawaii's small business concerns by:

4 (1) Reestablishing the Hawaii capital loan revolving fund,
5 with principal and interest payments made on any
6 outstanding loans to be directed into the fund to
7 lower or eliminate the need for future general fund
8 appropriations;

9 (2) Authorizing the department of business, economic
10 development, and tourism to contract with any
11 financial institution for services including servicing
12 or administering loans; and

13 (3) Appropriating moneys to the Hawaii capital loan
14 revolving fund for operations of the Hawaii capital
15 loan program.

16 SECTION 2. Chapter 210, Hawaii Revised Statutes, is
17 amended by adding a new section to be appropriately designated
18 and to read as follows:

19 "§210- Hawaii capital loan revolving fund. There is
20 established the Hawaii capital loan revolving fund into which
21 shall be deposited all moneys appropriated by the legislature
22 and received as repayment of loans and interest payments as



1 provided in this chapter. The department may use a portion of
2 the moneys contained in the Hawaii capital loan revolving fund
3 for programs associated with administering the fund and its
4 mandated purpose.

5 The department may contract with any financial institution
6 for services including servicing or administering loans pursuant
7 to this section."

8 SECTION 3. There is appropriated out of the general
9 revenues of the State of Hawaii the sum of \$ or so
10 much thereof as may be necessary for fiscal year 2011-2012 and
11 the same sum or so much thereof as may be necessary for fiscal
12 year 2012-2013 for deposit into the Hawaii capital loan
13 revolving fund under section 210- , Hawaii Revised Statutes.

14 SECTION 4. There is appropriated out of the Hawaii capital
15 loan revolving fund the sum of \$ or so much thereof as
16 may be necessary for fiscal year 2011-2012 and the same sum or
17 so much thereof as may be necessary for fiscal year 2012-2013
18 for the operations of the Hawaii capital loan program.

19 The sums appropriated shall be expended by the department
20 of business, economic development, and tourism for the purposes
21 of this Act.

22 SECTION 5. New statutory material is underscored.



1 SECTION 6. This Act shall take effect on July 1, 2011.

2



Report Title:

Small Business; Hawaii Capital Loan Revolving Fund;
Appropriation

Description:

Reestablishes the Hawaii capital loan revolving fund; requires that principal and interest payments being made on outstanding loans be deposited into the fund; authorizes the department of business, economic development, and tourism to contract with financial institutions for servicing or administering loans; appropriates funds for the operations of the Hawaii capital loan program. (SD1)

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