

STAND. COM. REP. NO. 1079

Honolulu, Hawaii

March 23, 2011

RE: S.B. No. 1153  
S.D. 1  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committee on Agriculture, to which was referred S.B. No. 1153, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURAL LOANS,"

begs leave to report as follows:

The purpose of this bill is to make loans available to new farmers at affordable rates through the New Farmer Program (Program) by:

- (1) Reducing the Program loan interest rate by an unspecified amount;
- (2) Increasing the Program loan limit to an unspecified amount;
- (3) Reducing the number of credit denials required to qualify for the Program; and
- (4) Appropriating funds for the Program.

The Department of Agriculture, Hawaii Farm Bureau Federation, and a concerned individual testified in support of this measure.

SB1153 HD1 HSCR AGR HMS 2011-3236

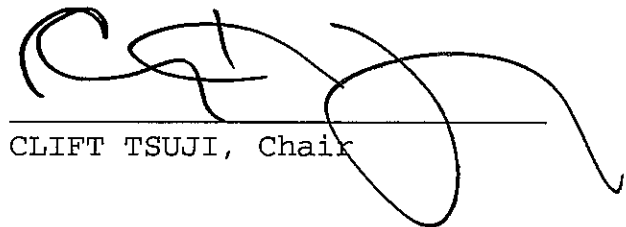


Your Committee has amended this bill by:

- (1) Setting the Program interest rate for class "F" loans at one and one-half percent below the prime rate or at a rate of six percent, whichever is less;
- (2) Increasing the Program loan limit to \$250,000;
- (3) Removing Future Farmer of America graduates from the definition of "new farmer program" and adding National FFA Organization graduates;
- (4) Reducing the minimum interest rate for agricultural loans made under Chapter 155, Hawaii Revised Statutes, from three percent to one percent; and
- (5) Changing its effective date to July 1, 2030, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1153, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1153, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

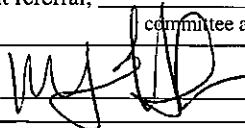
Respectfully submitted on  
behalf of the members of the  
Committee on Agriculture,



CLIFT TSUJI, Chair



Record of Votes of the Committee on Agriculture

Bill/Resolution No.: SB 1153, SD1	Committee Referral: AGR, FIN	Date: 3/16/11		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
AGR Members	Ayes	Ayes (WR)	Nays	Excused
1. TSUJI, Clift (C)	✓			
2. HASHEM, Mark J. (VC)	✓			
3. AWANA, Karen L.	✓			
4. BROWER, Tom	✓			
5. CHOY, Isaac W.	✓			
6. EVANS, Cindy	✓			
7. McKELVEY, Angus L.K.	✓			
8. NISHIMOTO, Scott Y.	✓			
9. TOKIOKA, James Kunane	✓			
10. MARUMOTO, Barbara C.	✓			
11. RIVIERE, Gil	✓			
TOTAL (11)	11	0	0	0
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				