

Honolulu, Hawaii

FEB 17 2012

RE: S.B. No. 2352

S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Agriculture, to which was referred S.B. No. 2352 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Department of Agriculture to guarantee up to eighty percent of the principal balance of a loan by a private lender made to a qualified farmer, food manufacturer, or cooperative;
- (2) Require the Chairperson of the Board of Agriculture to guarantee loans from commercial lenders and broaden the scope of the guarantee from important agricultural lands to all agricultural lands; and
- (3) Specify the loan application requirements for loan guarantees by the Department of Agriculture.

Prior to decision making, your Committee made available for public review a proposed S.D. 1, which deleted the contents of this measure and replaced it with language authorizing the issuance of \$20,000,000 in special purpose revenue bonds to assist Kauai Coffee Company Incorporated (Kauai Coffee) in the planning, construction, and operation of a coffee processing facility for the production of Hawaii-grown coffee products.



Your Committee received testimony in support of the proposed S.D. 1 from the Hawaii Farmers Union United, ILWU Local 142, and one individual. Your Committee received testimony in opposition to the proposed S.D. 1 from five individuals. Your Committee received comments on the proposed S.D. 1 from the Department of Budget and Finance.

Your Committee finds that the issuance of special purpose revenue bonds to assist Kauai Coffee with the planning, construction, and operation of a coffee processing facility will provide a benefit for all coffee producers by allowing them to process their product in Hawaii. As this measure progresses, your Committee stresses the importance of communicating the statewide benefit this measure will provide.

Your Committee adopted the amendments in the proposed S.D. 1 and further amended this measure by changing:

- (1) The amount of special purpose revenue bonds authorized for issuance from \$20,000,000 to \$10,000,000; and
- (2) The effective date from upon approval to July 1, 2012.

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. 2352, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2352, S.D. 1, and be referred to the Committee on Ways and Means.

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

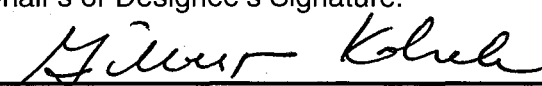


CLARENCE K. NISHIHARA, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Agriculture
AGL

Bill / Resolution No.:* GB2352	Committee Referral: AGL, WAM	Date: 2-14-12		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
NISHIHARA, Clarence K. (C)	✓			
KAHELE, Gilbert (VC)	✓			
CHUN OAKLAND, Suzanne				✓
DELA CRUZ, Donovan M.	✓			
KOUCHI, Ronald D.	✓			
SHIMABUKURO, Maile				✓
TOKUDA, Jill N.	✓			
WAKAI, Glenn				✓
SLOM, Sam				✓
TOTAL	5	0	0	4
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes