

Honolulu, Hawaii

March 1, 2013

RE: H.B. No. 1264

H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1264, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to support agriculture by expanding the Department of Agriculture Loan Program. Specifically, this measure amends the Loan Program by, among other things:

- (1) Specifying that infrastructure and infrastructure improvement costs are qualifying purposes for certain classes of loans;
- (2) Expanding the availability of new farmer program loans including by waiving the credit denial requirement for certain borrowers, including graduates of farm training programs in the definition of "new farmer", and creating a new farm innovation loan available to fund practical research in crop development and production; and
- (3) Adding a new class of loans for biosecurity projects that, among other things, seek to protect the health of livestock, poultry, and humans from diseases, pests, and pathogens that may originate on a farm, and specifying applicable qualifying purposes, a maximum loan amount, loan terms, and borrower eligibility requirements.



Ulupono Initiative provided testimony in support of this measure. The Department of Agriculture provided comments on this measure.

Your Committee has amended this measure by:

- (1) Leaving unspecified the maximum dollar amounts applicable to:
 - (A) The exemption from credit denial requirements for new farmer loans for graduates of farm trainee programs and recent college graduates with a degree in agriculture;
 - (B) Farm innovation loans; and
 - (C) Biosecurity project loans; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 1264, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1264, H.D. 2.

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



SYLVIA LUKE, Chair



