
A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1 SECTION 1. Act 387, Session Laws of Hawaii 1988, is
2 amended as follows:
3 1. By amending section 1 to read:
4 "SECTION 1. The legislature finds that the economy of the
5 island of Molokai ~~[is]~~ remains at a critical juncture. ~~[The~~
6 ~~residents have long relied on the pineapple industry as the~~
7 ~~major provider of jobs, however, since]~~ Since the closure of
8 Dole Company's operations in 1976 and the reduction of Del
9 Monte's operations in 1983, hundreds of Molokai residents have
10 been jobless and the island's unemployment rate ~~[at over~~
11 ~~fourteen per cent]~~ is more than twice the rate of any other
12 island and the highest in the State. The legislature further
13 finds that the revival of Molokai's economy is contingent on the
14 development and growth of small businesses, especially in
15 diversified agriculture, and that it is the public interest to
16 provide financial support to facilitate such development and
17 growth on Molokai. Further, the legislature finds that the



1 costs that farmers and ranchers must incur to comply with
 2 federal and state requirements, including the food safety
 3 requirements of the FDA Food Safety Modernization Act, are
 4 prohibitive to some farmers and ranchers and will likely result
 5 in farm and ranch closures on Molokai. These farmers and
 6 ranchers require assistance with meeting these compliance costs
 7 to prevent such closures and the detrimental effect they will
 8 have on the diversified agricultural industry on Molokai. The
 9 purpose of this Act is to establish a revolving loan program to
 10 stimulate business development and growth in diversified
 11 agriculture on the Island of Molokai[-] and provide loans to
 12 farmers and ranchers on Molokai to cover the costs, including
 13 audit costs and other expenses, of complying with the FDA Food
 14 Safety Modernization Act and state food safety laws."

15 2. By amending section 3 to read:

16 "SECTION 3. (a) The county of Maui shall establish a
 17 temporary revolving loan program to provide financing
 18 opportunities for small business ventures in diversified
 19 agriculture on Molokai[-] and loans to farmers and ranchers on
 20 Molokai to help them meet the costs, including audit costs and
 21 other expenses, of compliance with the requirements of the FDA



1 Food Safety Modernization Act and state food safety laws. To
2 carry out the loan program, the county shall establish a
3 revolving fund from which moneys shall be loaned in accordance
4 with this Act and into which all payments, interest, and fees
5 collected by the county on such loans shall be deposited.

6 (b) The program shall provide [~~loans~~] cost reimbursement
7 to qualified applicants with the following terms and conditions:

8 (1) No [~~loan~~] cost reimbursement shall be granted unless
9 [~~financial assistance is not otherwise available to~~
10 ~~the applicant;~~] money has been spent by the applicant
11 towards complying with the FDA Food Safety
12 Modernization Act or state food safety laws;

13 (2) The amount of [~~a loan or loans~~] cost reimbursement to
14 any one applicant [~~at any one time~~] shall not exceed
15 [~~\$150,000;~~] \$5,000; and

16 (3) The maximum term of [~~a loan~~] the cost reimbursement
17 shall not exceed [~~twenty years;~~] three years.

18 [~~(4) Each loan shall bear interest conforming to the~~
19 ~~department of agriculture's "Agricultural Loans" rate,~~
20 ~~policies, and practices; and~~



1 ~~(5) The commencement date for the repayment of the first~~
 2 ~~installment on the principal and interest of each loan~~
 3 ~~may be deferred by the mayor of the county of Maui for~~
 4 ~~a period not to exceed two years.]~~

5 (c) The program shall be administered by the county of
 6 Maui. The county of Maui, in consultation with the department
 7 of agriculture, shall adopt rules to carry out the program's
 8 purpose. ~~[The loan applications shall be reviewed initially by~~
 9 ~~the credit review committee of the Molokai task force. The~~
 10 ~~committee shall make recommendations regarding the suitability~~
 11 ~~of the proposed business concepts. The county of Maui shall~~
 12 ~~make the final decision to approve or disapprove the~~
 13 ~~application.] The cost reimbursement applications shall be~~
 14 ~~reviewed and approved by an administrative staff member within~~
 15 ~~the county of Maui."~~

16 SECTION 2. There is appropriated out of the general
 17 revenues of the State of Hawaii the sum of \$ or so much
 18 thereof as may be necessary for fiscal year 2016-2017 for the
 19 Maui office of economic development to review and approve cost
 20 reimbursement applications made pursuant to Act 387, Session
 21 Laws of Hawaii 1988, as amended.



1 The sum appropriated shall be expended by the county of
2 Maui for the purposes of this Act.

3 SECTION 3. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 4. This Act shall take effect on January 20, 2050.



Report Title:

Food Safety Loans; Maui County Revolving Loan Program

Description:

Provides loans from the Maui County Revolving Loan Program to Molokai farmers and ranchers to reimburse costs of mandated food safety compliance audits and other related costs. Appropriates moneys to the Maui Office of Economic Development to review and approve applications for the loan program. Takes effect January 20, 2050. (HB2657 HD1)

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