
A BILL FOR AN ACT

RELATING TO THE STATE DISASTER REVOLVING LOAN FUND.

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

1 SECTION 1. Section 209-1, Hawaii Revised Statutes, is
2 amended by adding a new definition to be appropriately inserted
3 and to read as follows:

4 "Base realignment and closure" means the closure or
5 realignment of a military installation in Hawaii pursuant to the
6 Defense Base Closure and Realignment Act of 1990, P.L. 101-510,
7 part A, title XXIX (10 U.S.C. 2687), as amended."

8 SECTION 2. Section 209-28, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "**§209-28 Purpose of loans.** (a) Commercial loans may be
11 made for the following purposes: to purchase inventory,
12 equipment, and machinery; to construct, repair, or restore
13 buildings; to provide operating funds; and to refinance
14 outstanding business loans on equipment and buildings; provided
15 that the loans shall be used to rehabilitate the business of the
16 victim of the disaster [victim] or base realignment and closure
17 as nearly as possible to its predisaster or pre-base realignment



1 and closure level; and provided further that the loans shall not
2 be used to begin a business substantially different from the one
3 that the victim of the disaster [~~victim~~] or base realignment and
4 closure was engaged in before the state disaster[-] or base
5 realignment and closure. Business concerns [~~which~~] that were
6 nonowners of buildings before the state disaster or base
7 realignment and closure shall not be precluded from obtaining
8 building loans under this part.

9 (b) Personal loans may be made for the purpose of meeting
10 necessary expenses or to satisfy serious needs of individuals
11 and families including reciprocal beneficiaries [~~which~~] that
12 arose as an immediate and direct result of a disaster[-] or base
13 realignment and closure."

14 SECTION 3. Section 209-29, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "**§209-29 Eligibility for loans.** Loans may be made to
17 individuals, partnerships, corporations, cooperatives, or other
18 business associations, but only if the applicant:

19 (1) Suffered loss of or damage to property in a
20 rehabilitation area as a result of a state disaster[+]



H.B. NO. 323

- 1 or loss of business from a base realignment and
2 closure;
- 3 (2) For a commercial loan, had operated an industrial,
4 manufacturing, processing, wholesaling, or retailing
5 business, or professional or service business, or
6 building rental business, immediately before the
7 disaster[+] or base realignment and closure;
- 8 (3) Presents a suitable program for:
- 9 (A) Rehabilitation or re-establishment of the
10 applicant's business to its predisaster or pre-
11 base realignment and closure level when applying
12 for a commercial loan; or
- 13 (B) Meeting necessary expenses and satisfying the
14 serious needs of the applicant and the
15 applicant's family including reciprocal
16 beneficiary when applying for a personal loan;
- 17 (4) Has reasonable ability to repay the loan; and
- 18 (5) For a commercial loan, presents written evidence that
19 the Small Business Administration had declined an
20 application for financial assistance under the Small
21 Business Administration Disaster Loan Program or has



H.B. NO. 323

1 reduced the amount of the loan request; provided that
2 the declination was not due to the applicant's having
3 sufficient financial resources to rehabilitate the
4 applicant; or

5 (6) For a commercial loan, cannot secure any loans from
6 the Small Business Administration Disaster Loan
7 Program because the making of the loans is not covered
8 by the program, and the director of business, economic
9 development, and tourism is reasonably satisfied that
10 the applicant is not able to secure loans from private
11 lending institutions and does not have sufficient
12 financial resources to rehabilitate the applicant.

13 Paragraph (6) shall be applied in the alternative with
14 respect to paragraph (5) of this section."

15 SECTION 4. There is appropriated out of the general
16 revenues of the State of Hawaii the sum of \$ or so much
17 thereof as may be necessary for fiscal year 2015-2016 and the
18 same sum or so much thereof as may be necessary for fiscal year
19 2016-2017 to be deposited into the state disaster revolving loan
20 fund established pursuant to section 209-34, Hawaii Revised
21 Statutes.



H.B. NO. 323

1 SECTION 5. There is appropriated out of the state disaster
 2 revolving loan fund the sum of \$ or so much thereof as
 3 may be necessary for fiscal year 2015-2016 and the same sum or
 4 so much thereof as may be necessary for fiscal year 2016-2017
 5 for loans made pursuant to chapter 209, part III, Hawaii Revised
 6 Statutes.

7 The sums appropriated shall be expended by the department
 8 of business, economic development, and tourism for the purposes
 9 of this Act.

10 SECTION 6. Statutory material to be repealed is bracketed
 11 and stricken. New statutory material is underscored.

12 SECTION 7. This Act shall take effect on July 1, 2015.
 13

INTRODUCED BY *[Signature]*

[Signature] *[Signature]*
[Signature] *[Signature]*
[Signature] *[Signature]*
[Signature] *[Signature]*
[Signature] *[Signature]*

JAN 23 2015



H.B. NO. 323

Report Title:

Base Realignment and Closure; Military; Reduction; Loans

Description:

Authorizes the use of funds in the State disaster revolving fund to be used for loans to individuals and business impacted by the downsizing of military in Hawaii. Appropriates moneys.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

