

**[CHAPTER 201C]**  
**FINANCIAL SERVICES ASSISTANCE PROGRAM**

Section

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### Revision Note

In this chapter, department or director of business and economic development changed to department or director of business, economic development, and tourism.

" **[\$201C-1] Definitions.** For the purposes of this chapter:

"Department" means the department of business, economic development, and tourism.

"Financial mall" means an array of financial service industry operations connected by telecommunications and not restricted to location in a single physical facility.

"Financial services industry" means trading and brokering operations, including but not limited to securities, commodities, debt instruments, currencies, options, futures, and other derivatives. [L 1990, c 107, pt of §3]

" **[\$201C-2] Establishment.** The department of business, economic development, and tourism shall establish a financial services assistance program for the purpose of promoting the growth and development of a financial services industry and other support services including the telecommunications infrastructure. The department may also hire contractors and consultants to effectuate the purpose of this chapter. [L 1990, c 107, pt of §3]

### Revision Note

"Chapter" substituted for "Act".

" **§201C-3 Financial assistance program; source of funds.**

(a) All moneys to carry out the purposes of the financial services assistance program under this chapter shall be allocated by the legislature through appropriations out of the Hawaii capital loan revolving fund established pursuant to section 210-3. The department shall include in its budgetary request for each upcoming fiscal period, the amounts necessary to effectuate the purposes of this section.

(b) All moneys received in repayment of loan principal, payment of interest, or fees, under this chapter shall be deposited to the credit of [the] Hawaii capital loan revolving fund established pursuant to section 210-3. [L 1990, c 107, pt of §3; am L 1993, c 280, §17; am L 1998, c 176, §14]

" **[\$201C-4] Purposes and terms of assistance.** (a) The department may utilize the money held in the financial services assistance program for economic development projects within the

State that have the potential of creating new jobs for residents of the State or retaining current jobs within the State.

(b) Financial assistance provided by the financial services assistance program may be used for any purpose consistent with the objectives and policies for the economy in the state plan, including but not limited to:

- (1) The acquisition, improvement, or rehabilitation of land and buildings;
- (2) The acquisition of equipment or services;
- (3) Working capital; and
- (4) Any other purpose reasonably related to an economic development project concerning the financial services industry, including but not limited to consulting and other related services.

(c) The department, for economic development projects relating to the financial services industry, may:

- (1) Procure insurance, a guarantee, or a letter of credit from any source for all or a part of a loan, debenture, or lease of others, public or private;
- (2) Procure insurance, a guarantee, or a letter of credit for either a single loan, debenture, or lease or for any combination of loans, debentures, or leases; and
- (3) Procure consulting and related services for the purposes of this chapter.

(d) Loans provided by the financial services assistance program may be provided to qualified applicants with the following terms and conditions:

- (1) The maximum term of a loan shall not exceed twenty years;
- (2) Each loan shall bear simple interest at a rate of not less than three and not more than ten per cent a year, depending on the nature of the loan; and
- (3) The commencement date for the repayment of the first installment on principal and interest of each loan may be deferred by the director of business, economic development, and tourism for a period not to exceed two years.

(e) The department shall adopt rules pursuant to chapter 91 to carry out the purposes of this chapter. [L 1990, c 107, pt of §3]

" **[§201C-5] Annual report.** The department shall report to the governor and the legislature on the revolving fund's revenues and expenditures for each fiscal year. The report shall be submitted no later than twenty days prior to the convening of each regular session. [L 1990, c 107, pt of §3]