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## A BILL FOR AN ACT

RELATING TO AGRICULTURAL LOANS.

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

1       SECTION 1. The legislature finds the 2018 fires in  
2 Lahaina, Maui, razed dozens of structures, burned hundreds of  
3 acres of farmland, and destroyed hundreds of thousands of  
4 dollars in farm equipment. Many farmers lost a majority of  
5 their crops to the fire, and reestablishing their production  
6 will take years, particularly for farmers with trees.

7       The legislature further finds that current agricultural  
8 loan programs do not provide a realistic timeline for farmers to  
9 make payments. Instead, these programs force farmers to begin  
10 paying the debt incurred by the loans before the farmer returns  
11 to profitability.

12       The purpose of this Act is to assist farmers affected by  
13 natural disasters and other incidents by establishing a five-  
14 year pilot program to issue agricultural loans that do not incur  
15 interest or require payments for three years.

16       SECTION 2. (a) There is established with the department  
17 of agriculture the delayed loan payment pilot program. The



1 pilot program shall offer agricultural loans that do not require  
2 payments or incur interest for three years.

3 (b) There is established within the agricultural loan  
4 revolving fund established pursuant to section 155-14, Hawaii  
5 Revised Statutes, a delayed loan payment subaccount. Moneys in  
6 the subaccount shall be loaned by the department of agriculture  
7 under chapter 155, Hawaii Revised Statutes; provided that  
8 notwithstanding any other law to the contrary, the chairperson  
9 shall waive interest on the principal and not require payments  
10 on the debt created by each loan for a period of not less than  
11 three years from the date of issuance of the loan.

12 (c) Funds received by the department for loan payments  
13 made on moneys loaned from the delayed loan payment subaccount  
14 shall be deposited into the delayed loan payment subaccount.

15 SECTION 3. 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 2019-2020 and the  
18 same sum or so much thereof as may be necessary for fiscal year  
19 2020-2021 for deposit in the delayed loan payment subaccount  
20 established pursuant to section 2 within the agricultural loan



1 revolving fund established pursuant to section 155-14, Hawaii  
2 Revised Statutes.

3 SECTION 4. There is appropriated out of the delayed loan  
4 payment subaccount of the agricultural loan revolving fund the  
5 sum of \$ or so much thereof as may be necessary for  
6 fiscal year 2019-2020 and the same sum or so much thereof as may  
7 be necessary for fiscal year 2020-2021 for loans consistent with  
8 this Act.

9 The sums appropriated shall be expended by the department  
10 of agriculture for the purposes of this Act.

11 SECTION 5. The delayed loan payment pilot program shall  
12 cease to exist on June 30, 2024, and the delayed loan payment  
13 subaccount shall be abolished on that date; provided that the  
14 terms and requirements of any loans made pursuant to the pilot  
15 program shall remain in full force and effect until perfected to  
16 the satisfaction of the chairperson of agriculture. All  
17 unencumbered balances in the delayed loan payment subaccount on  
18 June 29, 2024, shall lapse to the credit of the agricultural  
19 loan revolving fund. Beginning June 30, 2024, all payments on  
20 debts created by loans issued pursuant to the pilot program  
21 shall be deposited into the agricultural loan revolving fund.



1 SECTION 6. This Act shall take effect on July 1, 2019.

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INTRODUCED BY:

[Signature]

Richard [Signature]

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[Signature]

[Signature]

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JAN 24 2019



# H.B. NO. 1481

**Report Title:**

DOA; Loans; Delay Interest and Payments; Pilot Program

**Description:**

Establishes a five-year pilot program within the Department of Agriculture for agricultural loans that do not incur interest or require payments for three years.

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

