

Honolulu, Hawaii

**FEB - 1 2022**

RE: S.B. No. 2805  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism,  
to which was referred S.B. No. 2805 entitled:

"A BILL FOR AN ACT RELATING TO SMALL BUSINESS LOANS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Create the Hawaii Start-Up Business Loan Program;
- (2) Establish the Hawaii Start-Up Business Loan Program Special Fund; and
- (3) Appropriate an unspecified amount to the Hawaii Start-Up Business Loan Program Special Fund.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawai'i Technology Development Corporation; Hawaii Green Infrastructure Authority; Chamber of Commerce Hawaii; Hawaii Food Industry Association; and Hawaii Credit Union League. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the loan program established by this measure provides an alternative source of financial assistance to new businesses and enterprises to expand and become



stronger financially. According to testimony received by your Committee, many entrepreneurs that started new businesses during the coronavirus disease 2019 pandemic are having difficulty accessing capital at reasonable rates and terms. Your Committee further finds that the loan program established by this measure will not only provide immediate working capital and equipment to these new businesses but also help them establish the business credit history necessary to receive financial support from conventional financial institutions in the future. Your Committee also finds that this measure will encourage the diversification of economic opportunities for Hawaii's residents and communities.

Your Committee has amended this measure by:

- (1) Increasing the cap on the amount of the loans made under the Hawaii Start-Up Business Loan Program from \$10,000 to \$20,000;
- (2) Reclassifying the Hawaii Start-Up Business Loan Program Special Fund to a revolving fund;
- (3) Inserting language that:
  - (A) Includes community development financial institutions in the definition of financial institutions under this chapter; and
  - (B) Requires any payments of the principal and/or interest from any loans issued under the Hawaii Start-Up Business Loan Program to be deposited into the Hawaii Start-Up Business Loan Program Revolving Fund;
- (4) Inserting an effective date of July 1, 2022; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2805, as amended herein, and recommends that it pass Second Reading in the form attached hereto



as S.B. No. 2805, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Energy, Economic Development, and Tourism,

  
\_\_\_\_\_  
GLENN WAKAI, Chair



The Senate  
 Thirty-First Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Energy, Economic Development, and Tourism**  
**EET**

Bill / Resolution No.:* <i>SB 2805</i>	Committee Referral: <i>EET, WAKAI</i>	Date: <i>1/28/22</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	✓			
MISALUCHA, Bennette E. (VC)	✓			
LEE, Chris	✓			
RIVIERE, Gil	✓			
FEVELLA, Kurt	✓			
<b>TOTAL</b>	<i>5</i>	<i>0</i>	<i>0</i>	<i>0</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Bennette E. Misalucha</i>				
<b>Distribution:</b> Original             Yellow             Pink             Goldenrod File with Committee Report             Clerk's Office             Drafting Agency             Committee File Copy				

\*Only one measure per Record of Votes