

STAND. COM. REP. NO. 2402

Honolulu, Hawaii

FEB 15 2024

RE: S.B. No. 2431

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 2431 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURAL LOANS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the Agricultural Emergency Loan Revolving Fund to fund Class "D" loans; and
- (2) Appropriate an unspecified amount of funds into and out of the Agricultural Emergency Loan Revolving Fund.

Your Committee received testimony in support of this measure from the Department of Agriculture and Hawai'i Farm Bureau.

Your Committee received comments on this measure from the Department of the Attorney General and Department of Budget and Finance.

Your Committee finds that the Agricultural Loan Revolving Fund funds all loans made by the Agricultural Loan Program (Program), resulting in competition for its limited funds. Your Committee recognizes that natural and economic disasters now occur with greater frequency, increasing the need for the Program to extend Class D loans or emergency loans to agricultural enterprises. However, your Committee notes that because the



Program does not reserve funds for any specific purpose, the issuance of these loans has decreased the availability of funding for other agricultural uses, such as loans to encourage agricultural development and expand local food production. Your Committee believes that a dedicated source of emergency funding, as proposed by this measure, will allow the Department of Agriculture to offer financial assistance for the rapid recovery of farms and ranches from agricultural emergencies without diverting funding necessary for other statutorily mandated uses.

Your Committee recognizes the concerns raised by the Department of the Attorney General as the measure is unclear as to why Class D emergency loans cannot be issued successfully through funds obtained through the general fund appropriation process. Your Committee respectfully requests that the Department of Agriculture address this concern as this measure moves forward in the legislative process.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2431 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Agriculture and  
Environment,



MIKE GABBARD, Chair



The Senate  
Thirty-Second Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Agriculture and Environment**  
**AEN**

Bill / Resolution No.:* <b>SB 2431</b>	Committee Referral: <b>AEN, WAM</b>	Date: <b>2/5/24</b>		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	✓			
RICHARDS, III, Herbert M. "Tim" (VC)				✓
DECOITE, Lynn	✓			
RHOADS, Karl	✓			
AWA, Brenton	✓			
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <span style="font-family: cursive; font-size: 1.2em;">Karl Rhoads</span>				
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\*Only one measure per Record of Votes