

ACT 28

H. B. 18.

A Bill for an Act Amending Sections 21-104 and 21-105, Revised Laws of Hawaii 1955.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

The fisheries new vessel construction loan program was created by Act 193, Session Laws of Hawaii 1955 (now part IIIA, chapter 21, Revised Laws of Hawaii 1955, as amended), hereinafter called "Act 193". The purpose of Act 193 was to assist in the development of commercial fishing in the State of Hawaii by providing financial assistance for the construction of new fishing vessels and to complement the United States Fishing Fleet Improvement Act (P.L. 88-498) of 1964. Act 193 further appropriated the sum of \$20,000 to carry out the purposes of the Act.

Section 6(a) of Act 193 contains the following restriction:

"No loan shall exceed 80% of the difference between the cost of construction of a vessel and federal subsidy under P.L. 88-498."

In order for a person to obtain a loan under this program, he must first obtain a subsidy from the federal government under the United States Fishing Fleet Improvement Act (P.L. 88-498) of 1964. He then becomes eligible to qualify for a loan from the State, which loan is limited to 80% of the difference between the cost of construction of a vessel and the federal subsidy. Under P.L. 88-498, the subsidy may not exceed 50% of the cost of construction. The difficulty faced by local fishermen is that it is almost impossible to obtain a federal construction subsidy, which is a must in order to qualify a person for a state loan. It is in the public interest that this situation be corrected

ACT 28

as soon as possible so as to remove from Act 193 the condition precedent to qualifying for a loan from the State.

SECTION 2. Subsection (a) of section 21-104, Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

“(a) Prescribe the qualifications for eligibility of applicants for loans and, in so doing, be guided by requirements as set forth in P.L. 88-498.”

SECTION 3. Subsection (a) of section 21-105, Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

“(a) No loan of state funds shall exceed eighty per cent of the cost of construction of a vessel.”

SECTION 4. This Act shall take effect upon its approval.

(Approved May 7, 1968.)