

ACT 249

H.B. NO. 3766

A Bill for an Act Relating to Governmental Assistance.

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

SECTION 1. The legislature finds that between 1911 and 1936, Hamakua Sugar Company constructed over four hundred employee rental homes in ten camps along the Hamakua coast. In 1990, these rentals represented approximately sixteen per cent of the total number of occupied housing units in the North Hilo to Kukuihaele region. In August 1995, these rentals were transferred to the Hamakua Housing Corporation, a nonprofit entity, under a court-approved, bankruptcy settlement agreement. The plan is for the eventual conveyance of title to the occupants of the individual rentals. In addition to old age, these rentals currently suffer from significant deterioration. No major renovations or improvements have been made to these rentals since their original construction. As a result, significant improvements are needed for the residents to continue living in their communities.

The main priority is to upgrade the water distribution systems in six camps to county standards. These systems currently suffer from insufficient capacities and problems with turbidity, backflow contamination, and leakage. If the water distribution systems are upgraded, approximately one thousand three hundred twenty residents will benefit from improvements in water quality, reliability of service, fire protection, and overall public health and safety. In addition, the Hawaii department of water supply will benefit from a more efficient use of the limited water supply in the service area.

These improvements will provide greater stability in the lives of these residents, because it will mean that they can continue to live in their own homes. This will help to ensure that the residents can avoid homelessness and also improve their employability.

The purpose of this Act is to ensure that needed resources appropriated in previous years are available to assist the Hilo-Hamakua community in its efforts to restructure its economy and support its social structure. This Act extends to fiscal year 1996-1997, the authorization to expend the funds previously authorized in Act 228, Session Laws of Hawaii 1994; Act 241, Session Laws of Hawaii 1994; and Act 16, Special Session Laws of Hawaii 1995.

SECTION 2. Act 228, Session Laws of Hawaii 1994, as amended by Act 16, Special Session Laws of Hawaii 1995, is amended by amending sections 2 and 3 to read as follows:

“SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$600,000, or so much thereof as may be necessary, for fiscal year 1994-1995[,] to provide low-interest loans of up to \$10,000 each to employees and former employees of the Hilo Coast Processing Company and the Hamakua Sugar Company and former employees of Mauna Kea Agribusiness Company, sugar division, to provide for the payment of their monthly mortgage loan payment, which may include but not be limited to, principal and interest payments, real property taxes, and insurance. The appropriation made for the purposes authorized in this section shall not lapse at the end of the fiscal year for which the appropriation is made; provided that any appropriation that is unencumbered as of June 30, [1996,] 1997, shall lapse as of that date. The loans shall be limited to one loan per household and the rate of interest on loans made pursuant to this Act shall not exceed three per cent per annum. Interest earnings on funds appropriated and loans made pursuant to this Act may be used for administrative and other expenses necessary for administering the loan program. Loans made pursuant to this Act may not require repayment to begin for a period of two years after the loan agreement is executed. Loan proceeds distributed may be made directly to the borrower's note and mortgage holder to ensure timely payment of the borrower's mortgage payment. Guidelines for administering this loan program shall be established by the housing finance and development corporation.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$600,000, or so much thereof as may be necessary, for fiscal year 1994-1995[,] to enable the housing finance and development corporation to develop and implement a grant program to address administrative, maintenance, and critical infrastructure improvement costs to ensure the continued operation of Hamakua Sugar Plantation Camp Housing Units. The appropriation made for the purposes authorized in this section shall not lapse at the end of the fiscal year for which the appropriation is made; provided that any appropriation that is unencumbered as of June 30, [1996,] 1997, shall lapse as of that date.

[The housing finance and development corporation shall develop as part of this grant program a special rental subsidy program for employees, former employees who are in transition to other employment, and retirees of the Hamakua Sugar Company who are currently residing in the plantation camp areas.]”

SECTION 3. Act 241, Session Laws of Hawaii 1994, as amended by Act 16, Special Session Laws of Hawaii 1995, is amended by amending section 3 to read as follows:

“SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,500,000, or so much thereof as may be necessary, for fiscal year 1994-1995[,] to assist the Hilo-Hamakua community for the following purposes:

- (1) Resource/Family/Youth centers with outreach (5.50 FTE) workers and counseling services, and development of a child care services system;
- (2) Newspaper and community bulletin board;
- (3) Agricultural infrastructure development;
- (4) Aquaculture and community-based agricultural programs;
- (5) Primary health care center subsidies;
- (6) Transitional support employment and training for dislocated workers; and
- (7) Hamakua community liaison position.

Of the \$1,500,000 appropriation for fiscal year 1994-1995, \$560,000 shall be awarded to the Hamakua/North Hilo Agricultural Cooperative as a grant made pursuant to the provisions of chapter 42D, Hawaii Revised Statutes, for the purpose of assisting in the creation of a diversified agricultural economic base to assist workers and families along the Hilo-Hamakua Coast.

The appropriation made for the purposes authorized in this section shall not lapse at the end of the fiscal year for which the appropriation is made; provided that any appropriation which is unencumbered as of June 30, [1996,] 1997, shall lapse as of that date.”

SECTION 4. Act 16, Special Session Laws of Hawaii 1995, is amended by amending section 7 to read as follows:

“SECTION 7. There is appropriated out of the general revenues of the State of Hawaii the sum of \$360,000, or so much thereof as may be necessary, for fiscal year 1995-1996[,] for the continued operation of the lower Hamakua ditch to ensure a source of water for Hamakua farmers as set forth in the Bankruptcy Settlement Agreement. The appropriation made for the purposes authorized in this section shall not lapse at the end of the fiscal year for which the appropriation is made; provided that any appropriation that is unencumbered as of June 30, 1997, shall lapse as of that date.

The sum appropriated shall be expended by the department of agriculture.”

SECTION 5. Act 16, Special Session Laws of Hawaii 1995, is amended by amending sections 10, 11, 12, and 13 to read as follows:

“SECTION 10. There is appropriated out of the general revenues of the State of Hawaii the sum of \$520,000, or so much thereof as may be necessary, for fiscal year 1995-1996[,] for:

- (1) Various agricultural projects not funded by the United States Department of Defense and the agribusiness development corporation; and
- (2) The hiring of an agricultural specialist and an aquacultural specialist.

The appropriation made for the purposes authorized in this section shall not lapse at the end of the fiscal year for which the appropriation is made; provided that any appropriation that is unencumbered as of June 30, 1997, shall lapse as of that date.

The sum appropriated shall be expended by the department of agriculture for the purposes of this Act.

SECTION 11. There is appropriated out of the general revenues of the State of Hawaii the sum of \$550,000, or so much thereof as may be necessary, for fiscal

year 1995-1996[,] to create sustainable and expandable systems for community-based economic development in the following manner:

- (1) Facilitate the rebuilding of a healthy Hilo-Hamakua economy through continued operation of the Hilo-Hamakua community liaison office;
- (2) Support the Hilo-Hamakua community development corporation in its efforts to establish a funding mechanism for the long-term needs of the community that is eventually self-generating and self-sufficient;
- (3) Begin new, viable small businesses by providing seed and start-up capital to individuals who cannot qualify for traditional loans from conventional lending institutions through an economic development micro-enterprise loan and grant program;
- (4) Decrease the formidable physical dimensions of the fifty-mile Hilo-Hamakua community through an electronic project management and communications system;
- (5) Preserve the cultural heritage of the region and develop viable enterprises and job opportunities related to cultural heritage by implementing the cultural heritage corridor concept in four communities;
- (6) Support the needs of area residents as well as support the development of small businesses through various services provided by the community communications and work center located at Kalanianaʻole school; and
- (7) Award microloans.

The appropriation made for the purposes authorized in this section shall not lapse at the end of the fiscal year for which the appropriation is made; provided that any appropriation that is unencumbered as of June 30, 1997, shall lapse as of that date.

The sum appropriated shall be expended by the department of business, economic development, and tourism for the purposes of this Act.

SECTION 12. There is appropriated out of the general revenues of the State of Hawaii the sum of \$86,000, or so much thereof as may be necessary, for fiscal year 1995-1996[,] to provide wage-subsidized training opportunities for displaced sugar workers in skilled occupational areas. The appropriation made for the purposes authorized in this section shall not lapse at the end of the fiscal year for which the appropriation is made; provided that any appropriation that is unencumbered as of June 30, 1997, shall lapse as of that date.

The sum appropriated shall be expended by the department of labor and industrial relations for the purposes of this Act.

SECTION 13. There is appropriated out of the general revenues of the State of Hawaii the sum of \$49,000, or so much thereof as may be necessary, for fiscal year 1995-1996[,] for the Hamakua-Hilo Coast teleservice/telework center to continue the promotion of electronic communications applications, including e-mail and teleconferencing, and to develop new computer-related work skills and training for the local work force. The appropriation made for the purposes authorized in this section shall not lapse at the end of the fiscal year for which the appropriation is made; provided that any appropriation that is unencumbered as of June 30, 1997, shall lapse as of that date.

The sum appropriated shall be expended by the high technology development corporation for the purposes of this Act."

SECTION 6. Act 16, Special Session Laws of Hawaii 1995, is amended by amending sections 15 and 16 to read as follows:

“SECTION 15. There is appropriated out of the general revenues of the State of Hawaii the sum of \$455,000, or so much thereof as may be necessary, for fiscal year 1995-1996[,] for the continuation of the Hilo-Hamakua support program to provide a variety of services, including:

- (1) Outreach and information and referral to families and other persons impacted by the closure of the two sugar companies;
- (2) The assistance provided by the Hamakua and Hilo Coast resource centers and satellites in north Hilo and Paauilo;
- (3) Programs and support for children and youth;
- (4) Assistance to groups and communities to participate in community planning regarding economic development, diversified agriculture, housing, and employment and training;
- (5) The promotion of collaborative efforts with other service providers;
- (6) Transportation services; and
- (7) The dissemination of information through various means, including a community newspaper.

The appropriation made for the purposes authorized in this section shall not lapse at the end of the fiscal year for which the appropriation is made; provided that any appropriation that is unencumbered as of June 30, 1997, shall lapse as of that date.

The sum appropriated shall be expended by the department of labor and industrial relations, office of community services for the purposes of this Act.

SECTION 16. There is appropriated out of the general revenues of the State of Hawaii the sum of \$40,000, or so much thereof as may be necessary, for fiscal year 1995-1996[,] for the provision of the following services for rural South Hilo: health assessments, information/referral assistance, short-term interventions, health education/monitoring, and activity coordination. The appropriation made for the purposes authorized in this section shall not lapse at the end of the fiscal year for which the appropriation is made; provided that any appropriation that is unencumbered as of June 30, 1997, shall lapse as of that date.

The sum appropriated shall be expended by the department of health for the purposes of this Act.”

SECTION 7. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 8. This Act shall take effect on June 29, 1996.

(Approved June 18, 1996.)