

ACT 78

H.B. NO. 925

A Bill for an Act Relating to Loans.

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

SECTION 1. The legislature finds that the curtailment of the sugar industry on Kauai will negatively affect the economy of the island. Past experience with sugar cane company shutdowns has shown that the closures have come at great cost, both financially and socially, to the persons directly impacted and to the State in general. The closure on Kauai has resulted in the loss of hundreds of jobs, with

additional losses that may come in other sectors of the economy as a result of reduced spending.

The legislature further finds that a financial stimulus is required to assist businesses on Kauai to replace the sugar industry as an employer and economic force. A method of providing this stimulus is to provide assistance to start-up or expand agriculture and aquaculture enterprises.

The purpose of this Act is to authorize loans up to \$5,000,000, to provide financial assistance to both the agriculture and aquaculture enterprises on Kauai.

SECTION 2. In addition to any loan authorized under chapters 155 or 219, Hawaii Revised Statutes, the department of agriculture may make loans for the aggregate total amount of \$5,000,000 from the agriculture loan revolving fund or aquaculture loan revolving fund to carry on the purposes of this Act. The board of agriculture may waive any portion under chapters 155 or 219, Hawaii Revised Statutes, as deemed necessary to effectuate this Act with the exception of the following conditions:

- (1) Interest charged shall not be less than three per cent per year, simple interest; and
- (2) Collateral shall consist of assets deemed reasonable by the board of agriculture.

SECTION 3. This Act shall take effect upon its approval, and shall be repealed on July 31, 2003.

(Approved April 30, 2001.)