

ACT 229

H.B. NO. 2662

A Bill for an Act Relating to Economic Development.

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

SECTION 1. The legislature finds that financial resources are not being made available to new and existing small businesses that seek assistance through private or conventional lenders. This support is important as these small businesses play an integral role in the development of alternative industries, and employment growth.

The legislature further finds that businesses in communities located near military installations may be threatened by military base realignments and closures or capacity reductions.

The purpose of this Act is to assist new and existing small business and those businesses threatened by military base closures and realignments that encounter difficulty when seeking assistance through private or conventional lenders.

SECTION 2. Section 210-6, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The department of business, economic development, and tourism may make loans to small business concerns for the financing of plant construction, conversion, expansion, the acquisition of land for expansion, the acquisition of equipment, machinery, supplies, or materials, or for the supplying of working capital. The department may also make loans to assist businesses located in communities near military installations to develop infrastructure to minimize the possibility of or assist in the mitigation of the adverse effects of the closure or reduction in capacity of a military installation. The loans may be made in conjunction with loans made by other financial institutions, including the Small Business Administration.

Where the loans made by the department are secured, the security may be subordinated to the loans made by other financial institutions, when the subordination is required to obtain loans from such institutions. The necessity for and the extent of security required in any loan shall be determined by the director of business, economic development, and tourism.”

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000, or so much thereof as may be necessary for fiscal year 2004-2005, to provide loans to assist new and existing small businesses and those businesses threatened by military base closures and realignments that encounter difficulty when seeking assistance through private or conventional lenders. The sum appropriated shall be expended by the department of business, economic development, and tourism.

SECTION 4. Statutory material to be repealed is bracketed and stricken.¹ New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2004.

(Became law on July 13, 2004, without the Governor’s signature, pursuant to Art III, §16, State Constitution.)

Note

1. No bracketed material.