Honolulu, Hawaii

Feb10, 2006

RE: H.B. No. 3067 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

## Sir:

Your Committee on Economic Development & Business Concerns, to which was referred H.B. No. 3067 entitled:

"A BILL FOR AN ACT RELATING TO STATE FUNDS,"

begs leave to report as follows:

The purpose of this bill is to assist the agriculture industry by:

- (1) Establishing linked investments for providing loans to persons engaged in, or proposing to engage in, agriculture; and
- (2) Authorizing the Director of Finance to invest not more than ten percent of moneys available in the State treasury in linked investments.

The Hawaii Farm Bureau Federation testified in support of this bill. The Board of Agriculture commented on this bill.

The agricultural industry has, and continues to be, an important but highly competitive facet of Hawaii's economy. Assisting farmers in obtaining loans through linked investments will strengthen this industry and in turn, strengthen Hawaii's economy.

However, your Committee understands concerns raised by the Board of Agriculture regarding the liability of the State in cases where a borrower defaults on a loan provided through linked investments. Accordingly, your Committee has amended this measure by:

- (1) Specifying that an eligible lending institution is liable for payment of a loan that is made through linked investments if an eligible borrower defaults on the loan; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3067, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3067, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Economic Development & Business Concerns,

ON RIKI KARAMATSU, Chair

## State of Hawaii House of Representatives The Twenty-third Legislature

## Record of Votes of the Committee on Economic Development & Business Concerns

Bill/Resolution No.:	Date:				
НВ 3067	Feb. 2, 2006				
Committee Referral: EDB, FIN		The committee is reconsidering its previous decision on the measure.			
The recommendation is to:  Pass, unamended		Pass, with amendments			
☐ Hold	□ Re	□ Recommit			
EDB Members	Ayes	Ayes (WR)	Nays	Excused	
1. KARAMATSU, Jon Riki (C)	V				
2. WAKAI, Glenn (VC)					
3. ABINSAY, Felipe P., Jr.					
4. CHANG, Jerry L.	//				
5. HERKES, Robert N.	V/	15			
6. MAGAOAY, Michael Y.	V/				
7. TSUJI, Clift	V/				
8. YAMASHITA, Kyle T.	<b>V</b> /				
9. CHING, Corinne W.L.	V				
10. MARUMOTO, Barbara C.					
TOTAL	9	1			
The recommendation is:					
☐ Not Adopted					
1 Not Adopted					
If joint referral, did not support recommendation.  committee acronym(s)					
committee acronym(s)					
Vice Chair's or designee's signature:	5				
Distribution: Original (White) Committee Du	Ouplicate (Yellow) – Clerk's Office				
$\cup$ $\vee$					