STAND. COM. REP. NO. 2192

Honolulu, Hawaii

FPb. 16, 2006

RE: S.B. No. 2235

Honorable Robert Bunda President of the Senate Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committee on Water, Land, and Agriculture, to which was referred S.B. No. 2235 entitled:

"A BILL FOR AN ACT RELATING TO DEPARTMENT OF AGRICULTURE LOANS,"

begs leave to report as follows:

The purpose of this measure is to allow the Department of Agriculture to delegate to the Chairperson of the Board of Agriculture the authority to approve loans when the requested amount and the principal balance on existing loans do not exceed \$75,000.

Testimony in support of this measure was submitted by the Department of Agriculture (DOA), the Hawaii Agriculture Research Center, the Hawaii Farm Bureau, the Hawaii Aquaculture Association, the Hawaii Crop Improvement Association, and C&H Farms.

Your Committee finds that, under the current law, the DOA may delegate to the Chairperson of the Board of Agriculture the authority to approve loans when the requested amount plus any principal balance on existing loans does not exceed \$25,000. This loan approval ceiling has not increased since the authority was granted in 1982. Your Committee further finds that over the past three years, approximately one-third of the loan requests to the DOA have been for \$75,000 or less. The DOA has indicated that this measure will reduce the approval time for smaller loans, loans for \$75,000 or less, by one to two months. Your Committee believes that changes in the agricultural and aquacultural

industries necessitate the expedited approval of increased loan amounts in order to streamline the system, better serve the needs of the industries, and allow the Board additional time and resources to carefully consider the approval of other larger loan requests.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2235 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Water, Land, and Agriculture,

RUSSELL S. KOKUBUN, Chair

## The Senate Twenty-Third Legislature State of Hawaii

## Record of Votes of the Committee on Water, Land and Agriculture (Bills and Resolutions)

Measure:*	Committee Referral:		Date:		
SB 2235	WCF	t w	m	2/13	106
The committee is reconside	ering its previou	s decision on t	this measure.		
If so, then the previous decis	ion was to:		· · ·		
The Recommendation is to:			**************************************		
1 Pass, unamended (2312)	Pass, with a		Hold (231		ecommit (2313)
Members	,	Ayes	Ayes(WR)	Nays	Excused
KOKUBUN, Russell S. (C)		V			
HOOSER, Gary L. (VC)			fefters e fas		·
ENGLISH, J. Kalani				***	
FUKUNAGA, Carol					
HEMMINGS, Fred					
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TOTAL	:	フ			
Recommendation:  Adopted  Not Adopted					
Chair's or Designee's Signature:	Hoc	·/~			
Distribution: Original File with Committee I		Yellow rk's Office	Pink Drafting Agend		enrod e File Copy

<sup>\*</sup>Do <u>not</u> list more than one measure per Record of Votes.