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## A BILL FOR AN ACT

RELATING TO DEPARTMENT OF AGRICULTURAL LOANS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Section 155-4, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "**§155-4 Powers and duties of the department.** The  
4 department of agriculture shall have the following powers:

5           (1) Employ a secretary, who may be exempt from chapter 76,  
6 and other full-time and part-time employees, subject  
7 to chapter 76, as are necessary to effectuate the  
8 purposes of this chapter, subject further to the  
9 limitation of funds in the agricultural loan reserve  
10 fund;

11           (2) Designate agents throughout the State as may be  
12 necessary for property appraisal, the consideration of  
13 loan applications, and the supervision of farming  
14 operations of borrowers. The agents may be  
15 compensated for their services at rates the department  
16 in its discretion may fix;

17           (3) Initiate and carry on a continuing research and  
18 education program, utilizing and coordinating the



- 1 services and facilities of other government agencies  
2 and private lenders to the maximum, to inform  
3 qualified farmers concerning procedures for obtaining  
4 loans and to inform private lenders concerning the  
5 advantages of making loans to qualified farmers;
- 6 (4) Cooperate with private and federal government farm  
7 loan sources to increase the amount of loan funds  
8 available to qualified farmers in the State;
- 9 (5) Assist individual qualified farmers in obtaining loans  
10 from other sources. Insofar as available funds and  
11 staff permit, counsel and assist individual farmers in  
12 establishing and maintaining proper records to prove  
13 their farming ability for loan purposes;
- 14 (6) Insure loans made to qualified farmers and food  
15 manufacturers by private lenders under section 155-5;
- 16 (7) Participate in loans made to qualified farmers and  
17 food manufacturers by private lenders under section  
18 155-6;
- 19 (8) Make direct loans to qualified farmers and food  
20 manufacturers under section 155-8;
- 21 (9) Borrow money for loan purposes;
- 22 (10) Assign and sell mortgages;



- 1 (11) Hold title to, maintain, use, manage, operate, sell,  
2 lease, or otherwise dispose of personal and real  
3 property acquired by way of foreclosure, voluntary  
4 surrender, or otherwise, to recover moneys loaned;
- 5 (12) Sue and be sued in the name of the "State of Hawaii";
- 6 (13) Exercise incidental powers as are deemed necessary or  
7 requisite to fulfill its duty in carrying out the  
8 purposes of this chapter;
- 9 (14) Delegate authority to its chairperson to approve  
10 loans, where the requested amount plus any principal  
11 balance on existing loans to the applicant, does not  
12 exceed [~~\$25,000~~] \$75,000 of state funds; and
- 13 (15) Adopt rules pursuant to chapter 91 necessary for the  
14 purpose of this chapter."

15 SECTION 2. Section 219-5, Hawaii Revised Statutes, is  
16 amended by amending subsection (b) to read as follows:

17 "(b) The chairperson may approve loans, where the  
18 requested amount, plus any principal balance on existing loans  
19 to the applicant, does not exceed [~~\$25,000~~] \$75,000 of state  
20 funds."

21 SECTION 3. Statutory material to be repealed is bracketed  
22 and stricken. New statutory material is underscored.



# H.B. NO. 1554

1 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

Calvin M. Ay

JAN 23 2007



**Report Title:**

Agriculture; Loans

**Description:**

Increases the amount that may be borrowed for agricultural loans from the department of agriculture.

