Honolulu, Hawaii

Monh 20, 2008

RE: S.B. No. 2467

S.D. 2

H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Sir:

Your Committees on Agriculture and Energy & Environmental Protection, to which was referred S.B. No. 2467, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO LOANS TO ASSIST AGRICULTURAL AND AOUACULTURAL INDUSTRIES,"

beg leave to report as follows:

The purpose of this bill is to improve the financial viability of agricultural and aquacultural operations and encourage energy self-sufficiency by:

- (1) Incorporating loans for farm sustainable projects into the existing agricultural loan program under Chapter 155, Hawaii Revised Statutes (HRS), and loans for aquacultural sustainable projects into the existing aquacultural loan program under Chapter 219, HRS; and
- (2) Establishing specific permitted uses and eligibility requirements for the loans for farm sustainable projects and aquaculture sustainable projects.

The Department of Agriculture, Hawaii Farm Bureau Federation, Hamakua Springs Country Farms, Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, BlueEarth Biofuels, Hawaii Crop Improvement Association, and the Hawaii Aquaculture Association supported this bill. Life of the Land offered comments.

SB2467 HD1 HSCR AGR-EEP HMS 2008-3079

Your Committees recognize that concerns were raised regarding the fact that the farm and aquacultural sustainable projects are primarily intended to ensure the viability of farming and aquacultural operations, rather than environmental, health, or climate sustainability. Concerns were also raised regarding the inclusion of biodiesel and ethanol projects, which are considered by some to be particularly harmful to the environment. Your Committees support future legislative efforts to further address these concerns.

Your Committees have amended this measure by:

- (1) Reducing the interest rate for farm sustainable project loans from five to three percent per year;
- (2) Changing its effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2467, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2467, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committees on Agriculture and Energy & Environmental Protection,

HERMINA MORITA. Chair

CLIET TSULT Chair

State of Hawaii House of Representatives The Twenty-fourth Legislature

HSCR 1269-08

Record of Votes of the Committee on Agriculture

Bill/Resolution No.: SB 2467, SD 2	Committee Referral: AGR/EEP, FIN	Date	3(13/	8			
☐ The committee is reconsidering its previous decision on the measure.							
The recommendation is to: ☐ Pass, unamended (as is) ☐ Pass, with amendments (HD) ☐ Hold ☐ Pass short form bill with HD to recommit for future public hearing (recommit)							
AGR Members	Ayes	Ayes (WR)	Nays	Excused			
1. TSUJI, Clift (C)							
2. BROWER, Tom (VC)							
3. BERG, Lyla B., Ph.D.		•					
J. DEKG, Lyla D., 1 ll.D.							
4. CHANG, Jerry L.							
				B. C.			
5. HANOHANO, Faye P.							
	The state of the s						
6. HERKES, Robert N.							
7. MANAHAN, Joey							
8. WAKAI, Glenn							
9. YAMANE, Ryan I.							
10. VAMACHITA Valo T							
10. YAMASHITA, Kyle T.							
11. CHING, Corinne W.L.							
12. MEYER, Colleen Rose							
			~/	0			
TOTAL (12)	9	Ø	B	3			
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)							
Vice Chair's or designee's signature: Ton Brown							
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office							

State of Hawaii House of Representatives The Twenty-fourth Legislature



Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: SB 2467 SD2	Committee Referral: AGRIEEP, FIN	Date: 3 13 09					
☐ The committee is reconsidering its previous decision on the measure.							
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)							
EEP Members	Ayes	Ayes (WR)	Nays	Excused			
1. MORITA, Hermina M. (C)	J.						
2. CARROLL, Mele (VC)							
Z. CARROLL, Mele (VC)	V						
3. ITO, Ken	J						
A PANA TOXAL A PANA							
4. KARAMATSU, Jon Riki	V						
5. MAGAOAY, Michael Y.							
		100 mg					
6. SAGUM, Roland D., III		S. OLEMEN SHEWAY					
7. SAIKI, Scott K.	2						
8. THIELEN, Cynthia				✓			

TOTAL (8)	5			3			
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)							
Vice Chair's or designee's signature:							
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office							