

Honolulu, Hawaii

APR 04 2008 RE: H.B. No. 2261 H.D. 2 S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 2261, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURAL LOANS,"

begs leave to report as follows:

The purpose of this measure is to authorize the Department of Agriculture to offer a new class of loans in its agricultural loans and aquaculture loan programs.

Specifically, the new class of loans will cover either farm sustainable projects under the agricultural loans program or aquaculture sustainable projects under the aquaculture loan program. Sustainable projects are defined as projects that improve the operation's viability but are not directly tied to farm crop or aquaculture production, such as the generation of energy and power.

The loans shall not exceed a term of forty years and an amount that is the lesser of \$1,500,000 or eighty-five per cent of the project cost. For the agricultural loans, the simple interest rate on the unpaid principal balance will be three per cent a year. For the aquaculture loans, the simple interest rate on the unpaid principal balance will be set by rule.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawaii Farm Bureau Federation,



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Hawaii Aquaculture Association, Hawaii Crop Improvement Association, and Hawaiian Electric Company.

Your Committee finds that this measure will encourage the agriculture and aquaculture industries to contribute to the production of alternative sources of energy for the consumers of this State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2261, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

> Respectfully submitted on behalf of the members of the Committee on Ways and Means,

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ROSALYN N. BAKER, Chair



The Senate Twenty-Fourth Legislature State of Hawaii

Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:* HB2261, HD2, SD1	Committee Referral: AHW/ENE, NAM		Date: 3/28/08			
The committee is reconsidering its previous decision on this measure.						
The Recommendation is:						
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313						
Members		Aye	Aye (WR) Nay		Excused	
BAKER, Rosalyn H. (C)		/				
TSUTSUI, Shan S. (VC)						
CHUN OAKLAND, Suzanne		/				
ENGLISH, J. Kalani						1
FUKUNAGA, Carol		-				
HOOSER, Gary L.						
INOUYE, Lorraine R.		/				
KIM, Donna Mercado		/				
MENOR, Ron			****		·	
TOKUDA, JIII N.						
HEMMINGS, Fred						
WHALEN, Paul		/				
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TOTAL		10	0	τ)	2
Recommendation:						
Chair's or Designee's Signature:						
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*Only one measure per Record of Votes