STAND. COM. REP. NO. 1009

Honolulu, Hawaii

March 2 , 2007

RE: H.B. No. 401 H.D. 2

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 401, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO IMPORTANT AGRICULTURAL LANDS LOAN GUARANTY,"

begs leave to report as follows:

The purpose of this bill is to provide loan incentives for projects on important agricultural land by authorizing the Director of Finance to guarantee loans, made by commercial lenders authorized to do business in the state, to agricultural producers for the development and implementation of agricultural projects.

The Hawaii Agriculture Research Center and Maui County Farm Bureau testified in support of this bill. The Board of Agriculture supported the intent of this measure. The Hawaii Land Use Research Foundation of Hawaii and Alexander & Baldwin, Inc., supported this bill with amendments. The Department of Budget and Finance (B&F) provided comments.

Your Committee has amended this bill by:

(1) Placing the loan guaranty program under the Department of Agriculture, instead of B&F and giving the Chairperson of the Board of Agriculture discretion to approve guarantees for loans;

- (2) Requiring B&F to maintain the responsibility for the reserve and funding of any defaults;
- (3) Limiting the total aggregate amount of the State's liability to \$40,000,000;
- (4) Adding an appropriation for the loan guaranty reserve;
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 401, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 401, H.D. 2.

Respectfully submitted on behalf of the members of the Committee on Finance,

MARCUS R. OSHIRO, Chair

HSCR 1009

State of Hawaii House of Representatives The Twenty-fourth Legislature

Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 401 HD1	Date:	2/24	107	
Committee Referral: AGR, FIN	☐ The committee is reconsidering its previous decision on the measure.			
The recommendation is to: Pass, unamended	Pass, with amendments			
☐ Hold	 Pass, with amendments, for recommittal for further consideration 			
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)	V			
2. LEE, Marilyn B. (VC)	V			
3. BELATTI, Della Au	V			
4. BROWER, Tom	V			
5. CARROLL, Mele	<u></u>			
6. CHONG, Pono	<u></u>			
7. HANOHANO, Faye P.				
8. HAR, Sharon E.	<u></u>			
9. MAGAOAY, Michael Y.	u			
10. MANAHAN, Joey	<u></u>			
11. MIZUNO, John	<u> </u>			
12. NAKASONE, Bob	L			
13. RHOADS, Karl	<u></u>			
14. SAGUM, Roland D., III	i			
15. TOKIOKA, James Kunane				سا
16. AWANA, Karen Leinani	W			
17. MEYER, Colleen Rose	س			
18. WARD, Gene, Ph.D.				Advantation in the second
TOTAL	17	∂	0	
The recommendation is:	•			
☐ Not Adopted				
If joint referral,		did not suppo	ort recommendation	ı .
committee acronym(s)				
Marly B. Lel				
Vice Chair's or designee's signature:	/			
Distribution: Original (White) – Committee	Duplicate (Yello	w) – HMSO	Duplicate (Pink) –	Clerk's Office