

JAN 21 2026

A BILL FOR AN ACT

RELATING TO AGRICULTURAL LOANS.

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

1 SECTION 1. The legislature finds that the department of
2 agriculture and biosecurity's agricultural loan division has
3 experienced significant demand following the enactment of Act
4 69, Session Laws of Hawaii 2025 (Act 69), which, among other
5 things, expanded access to farm loans at favorable interest
6 rates. Within two months of Act 69's implementation, the
7 agricultural loan division approved ten loans totaling nearly
8 \$5,000,000 and received an additional \$10,000,000 in loan
9 application requests that were not funded due to the existing
10 \$5,000,000 annual ceiling on the agricultural loan revolving
11 fund. Thus, applications have been placed on hold further
12 limiting the department's ability to meet the financing needs of
13 Hawaii farmers and agricultural enterprises.

14 The legislature further finds that authorizing the
15 agricultural loan division to sell portions of its loan
16 portfolio, valued at approximately \$11,000,000, to permitted
17 third parties would generate additional capital that may be



1 reinvested into the agricultural loan revolving fund.
2 Increasing the revolving fund ceiling would also expand lending
3 capacity and support the continued implementation of Act 69,
4 strengthening the State's economy and advancing food security
5 and self-sufficiency goals.

6 The purpose of this Act is to:

7 (1) Require the agricultural loan division to sell
8 portions of its loan portfolio to permitted third
9 parties, with proceeds to be deposited into the
10 agricultural loan revolving fund; and
11 (2) Appropriate funds out of the agricultural loan
12 revolving fund to increase its expenditure ceiling and
13 thereby expand access to agricultural loan financing
14 and support local food production.

15 SECTION 2. The agricultural loan division of the
16 department of agriculture and biosecurity shall sell portions of
17 its loan portfolio having an appraised value of approximately
18 \$11,000,000 to permitted third parties; provided that the
19 proceeds from the sale shall be reinvested in the agricultural
20 loan revolving fund and made available for loan funding.



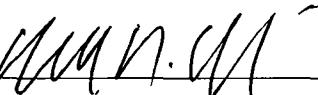
1 SECTION 3. There is appropriated out of the agricultural
2 loan revolving fund the sum of \$10,000,000 or so much thereof as
3 may be necessary for fiscal year 2026-2027 to increase the
4 expenditure ceiling of the revolving fund and thereby expand
5 access to agricultural loan financing and support local food
6 production pursuant to part I of chapter 155, Hawaii Revised
7 Statutes.

8 The sum appropriated shall be expended by the department of
9 agriculture and biosecurity for the purposes of this Act.

10 SECTION 4. This Act shall take effect on July 1, 2026.

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INTRODUCED BY:



By Request



S.B. NO. 2309

Report Title:

Agricultural Loan Division; DAB; Agricultural Loan Revolving Fund; Loan Portfolio; Increase Ceiling; Appropriation

Description:

Requires the Agricultural Loan Division to sell portions of its loan portfolio to permitted third parties, with proceeds to be deposited into the agricultural loan revolving fund.

Appropriates funds out of the Agricultural Loan Revolving Fund to increase its expenditure ceiling and thereby expand access to agricultural loan financing and support local food production.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

