
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 modifications to the
2 State's agricultural loan program made by Act 69, Session Laws
3 of Hawaii 2025 (Act 69), have been well received by Hawaii's
4 agricultural community as demonstrated by the overwhelming
5 number of agricultural loan program applications received and
6 awarded within the initial two months of Act 69 becoming law.
7 The legislature further finds that because of the popularity of
8 these program modifications, an increase to the expenditure
9 ceiling on the agricultural loan revolving fund is necessary to
10 ensure the department of agriculture and biosecurity can provide
11 adequate financing to support the State's agricultural
12 producers.

13 Accordingly, the purpose of this Act is to:

14 (1) Authorize the department of agriculture and
15 biosecurity to package and sell a portion of its loan
16 portfolio to permitted third parties; and



1 (2) Increase the expenditure ceiling for the agricultural
2 loan revolving fund by appropriating funds out of the
3 revolving fund.

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

6 "**§155-4 Powers and duties of the department.** The
7 department of agriculture and biosecurity shall have the
8 following powers:

9 (1) Employ a secretary, who may be exempt from chapter 76,
10 and other full-time and part-time employees, subject
11 to chapter 76, as are necessary to effectuate the
12 purposes of this chapter;

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

19 (3) Initiate and carry on a continuing research and
20 education program, utilizing and coordinating the
21 services and facilities of other government agencies



- 1 and private lenders to the maximum, to inform
2 qualified farmers concerning procedures for obtaining
3 loans and to inform private lenders concerning the
4 advantages of making loans to qualified farmers;
- 5 (4) Cooperate with private and federal government farm
6 loan sources to increase the amount of loan funds
7 available to qualified farmers in the State;
- 8 (5) Assist individual qualified farmers in obtaining loans
9 from other sources. Insofar as available funds and
10 staff permit, counsel and assist individual farmers in
11 establishing and maintaining proper records to prove
12 their farming ability for loan purposes;
- 13 (6) Insure loans made to qualified farmers and food
14 manufacturers by private lenders under section 155-5;
- 15 (7) Participate in loans made to qualified farmers and
16 food manufacturers by private lenders under section
17 155-6;
- 18 (8) Make direct loans to qualified farmers and food
19 manufacturers under section 155-8;
- 20 (9) Borrow money for loan purposes;
- 21 (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 \$50,000 of state funds; [and]
- 13 (15) Package and sell a portion of the loans issued
14 pursuant to this chapter to permitted third parties;
15 provided that all proceeds from any sale shall be
16 deposited into the agricultural loan revolving fund to
17 be made available for additional agricultural loan
18 funding; provided further that the appraised value of
19 the loans to be sold shall not exceed \$10,000,000; and
- 20 [~~15~~] (16) Adopt rules pursuant to chapter 91 necessary for
21 the purpose of this chapter."



1 SECTION 3. Section 155-14, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) All payments received on account of principal or for
4 the sale of loans pursuant to section 155-4 shall be credited to
5 the agricultural loan revolving fund."

6 SECTION 4. There is appropriated out of the agricultural
7 loan revolving fund the sum of \$10,000,000 or so much thereof as
8 may be necessary for fiscal year 2026-2027 for the purposes of
9 the revolving fund.

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

12 SECTION 5. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 6. This Act shall take effect on July 1, 3000.



Report Title:

DAB; Agricultural Loans; Sale; Agricultural Loan Revolving Fund
Expenditure Ceiling; Appropriation

Description:

Authorizes the Department of Agriculture and Biosecurity to package and sell a portion of its agricultural loan portfolio to permitted third parties. Appropriates funds out of the Agricultural Loans Revolving Fund to increase its expenditure ceiling. Effective 7/1/3000. (HD1)

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

