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# 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 \$ 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, 2050.



**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 7/1/2050. (SD1)

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

