

ACT 75

A Bill for an Act to Establish the Hawaii Agricultural Products Program.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Purpose. The purpose of the Hawaii agricultural products program is to encourage the growth and development of the economy of the State by stimulating qualified agriculturalists to undertake new agricultural products enterprises through the grant of allowances for such new enterprises as are planned to produce new agricultural products intended primarily for export markets. The purpose of this Act is to be achieved in conjunction with the coordinated planning of the departments of agriculture, land and natural resources, economic development and the university and of farm organizations, agricultural research organizations and the cattle industry.

SECTION 2. Definitions. Whenever used in this Act:

(a) "Board" means the board of agriculture of the department of agriculture.

(b) "Qualified agriculturalist" means a person, or association of persons, actively engaged in a farm, agricultural produce processing or agricultural product development activity whose products are intended primarily for export markets.

SECTION 3. **Hawaii agricultural products program.** There is hereby established the Hawaii agricultural products program to be administered by the board of agriculture of the department of agriculture.

SECTION 4. **Hawaii agricultural products revolving fund.** There is hereby established the Hawaii agricultural products revolving fund into which shall be deposited all monies received as repayment of allowances and interest payments as provided for in this Act. The revolving fund may be expended by the board for the purposes of this Act.

SECTION 5. **Rules and regulations.** The board shall have the necessary powers to carry out the purposes of this Act, including the following:

(a) To receive, examine and determine the acceptability of applications by qualified agriculturalists for allowances to be limited to those new agricultural enterprises whose new products are intended primarily for export markets.

(b) To establish preferences in determining qualifications for allowances.

(c) To grant an allowance to a qualified agriculturalist based on the estimated costs of production of a new agricultural products enterprise.

(d) To establish conditions, consistent with the purposes of this Act, to the grant or to the continuance of a grant of an allowance.

(e) To inspect, at reasonable hours, an agricultural products enterprise.

(f) To require the submission of progress reports and final reports of agricultural products enterprises and to specify the information to be included in such reports.

(g) To establish the time, rate and other terms of repayment of an allowance; provided that a repayment schedule shall not be established for an agricultural products enterprise until the enterprise yields a net profit.

(h) To provide for the payment of interest on an allowance at a rate not to exceed five per cent per annum computed on the basis of simple interest on the unpaid balance, including the discretionary power to waive or extend any one or all interest payments for satisfactory cause.

(i) To reserve to the board for the purpose of repayment of an allowance a first priority after tax liens with respect to any capital gain resulting from the sale or other transfer of an agricultural products enterprise.

(j) To administer the Hawaii agricultural products revolving fund and to deposit into the fund all monies received as repayment of allowances and interest payment.

(k) To include in its budget for subsequent fiscal periods amounts necessary to effectuate the purposes of this Act.

SECTION 6. There is hereby appropriated all allowance repayments and interest payments deposited in the Hawaii agricultural products

revolving fund to be expended by the board for the purposes of this Act.

SECTION 7. This Act shall take effect upon its approval.

(Approved May 22, 1963.) **H.B. 709.**
