

ACT 210

H.B. NO. 722

A Bill for an Act Relating to Agricultural Loans.

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

SECTION 1. Section 155-1, Hawaii Revised Statutes, is amended to read:

“Sec. 155-1 Definitions. Whenever used in this chapter:

- (1) “Farm land” means land in the State used for agricultural purposes, including general farming, cane growing, fruit growing, flower growing, grazing, dairying, the production of any form of livestock or poultry, and any other form of agricultural activity. It includes land required for an adequate farm dwelling and other essential farm buildings, roads, waste-land.
- (2) “Qualified farmer” means a person of proven farming ability who operates his own farm on land owned by him in fee or on land rented or leased from others and who is presently devoting, has recently devoted, or intends to devote at least one-third of his time or derive at least one-third of his net cash income from direct participation in farming in its broadest sense. It includes Hawaii partnerships controlled to the extent of seventy-five per cent by persons who would qualify individually and would meet the eligibility requirements of section 155-10. It also includes small corporations where at least seventy-five per cent of each class of stock issued by the corporation is owned by persons who qualify individually and would meet the eligibility requirements of section 155-10 and where seventy-five per cent of the directors are qualified farmers. It also includes corporations incorporated in the State primarily for agricultural production purposes; actively engaged in agricultural production for a minimum of two years; and with at least seventy-five per cent of each class of stock owned by

residents of this State.

- (3) "New farmer program" means a new farm enterprise for qualified new farmers, including persons who are displaced from employment in an agricultural production enterprise, college graduates in agriculture, community college graduates in agriculture, and members of the Hawaii Young Farmer Association and Future Farmer of America graduates with farming projects, persons who have not less than two years' experience as part-time farmers, persons who have been farm tenants or farm laborers, or other individuals who have for the two years last preceding their application obtained the major portion of their income from farming operations, and persons who by reason of ability, experience, and training as vocational trainees are likely to successfully operate a farm, who otherwise meet the eligibility requirements of section 155-10.
- (4) "Cooperative" means a nonprofit association of farmers organized under chapter 421.
- (5) "Mortgage" includes such classes of liens on farm land and other authorized security as are approved by the department of agriculture and the credit instruments secured thereby.
- (6) "Private lender" includes banks, savings and loan associations, mortgage companies, and other qualified companies whose business includes the making of loans in the State."

SECTION 2. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 9, 1979.)