

ACT 170

H.B. NO. 1330

A Bill for an Act Relating to a Revolving Loan Program for Business Opportunities on Molokai.

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

SECTION 1. The legislature finds that Act 384, Session Laws of Hawaii 1988, was enacted to establish a revolving loan program for business opportunities on Molokai. The legislature further finds that Act 384 shall be repealed on June 30, 1993.

In view of the present adverse economic conditions in the State, as well as the combined demise of the agricultural and livestock industries and the high unemployment rate on Molokai, the legislature believes that the extension of the loan program for an additional two years will assist in stimulating business development and the growth of small businesses on Molokai.

The purposes of this Act are to:

- (1) Extend the revolving loan program for business opportunities on Molokai until June 30, 1995;
- (2) Allow the department of business, economic development, and tourism to transfer moneys from the revolving loan program to the general fund; and
- (3) Require the department of business, economic development, and tourism to develop and adopt an action plan for administering the revolving loan program.

SECTION 2. Act 384, Session Laws of Hawaii 1988, is amended as follows:

ACT 170

1. By amending section 2 to read:

“SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$250,000, or so much thereof as may be necessary for fiscal year 1988-1989, for the establishment of a revolving loan program to provide financing opportunities for small business ventures on Molokai. The sum appropriated shall be expended by the department of business, [and] economic development, and tourism for the purposes of this Act. All sums appropriated under this section which are not expended or encumbered by June 30, 1995, shall lapse into the general fund.”

2. By amending subsection (a) of section 3 to read:

“(a) The department of business, [and] economic development, and tourism shall establish a temporary revolving loan program to provide financing opportunities for small business ventures on Molokai. To carry out the loan program, the department shall establish a revolving fund from which moneys shall be loaned in accordance with this Act and into which all payments, interest, and fees collected by the department on such loans shall be deposited. The department may transfer moneys from the revolving loan program established by this Act to the general fund. For the purposes of this section, “small business” means those businesses that have no more than ten employees.”

3. By amending section 6 to read:

“SECTION 6. This Act shall take effect on July 1, 1988, and shall be repealed on June 30, [1993.] 1995.”

SECTION 3. The department of business, economic development, and tourism shall develop and adopt an action plan for administering the revolving loan program which:

- (1) Publicizes the existence and purpose of the revolving loan program;
- (2) Considers holding informational briefings within the community;
- (3) Aids businesses in developing their own business plans;
- (4) Provides for follow up assistance in running a successful business;
- (5) Informs the community of other available forms of financing for their businesses;
- (6) Develops a relationship with private sector financial institutions for the purpose of referring businesses to the program; and
- (7) Targets new and existing businesses.

The department shall submit a report to the Legislature on the adoption of the plan, including its provisions, before the 1994 Regular Session.

SECTION 4. Session law material to be repealed is bracketed. New session law material is underscored.

SECTION 5. This Act shall take effect upon its approval.

(Approved June 9, 1993.)