

JAN 27 2016

A BILL FOR AN ACT

RELATING TO THE AGRICULTURAL LOAN REVOLVING FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Hawaii is the most
2 geographically isolated state in the country and is dangerously
3 dependent on imported food, placing residents at risk of food
4 shortages in event of transportation disruptions, natural
5 disasters at out of state production sites, and other external
6 factors beyond the State's control. High levels of food
7 importation result in lost job opportunities for local residents
8 and exports dollars out of the State.

9 Expansion of local food production is vital to protect
10 Hawaii's citizens. The 2014 Aloha+ Challenge resolution was
11 adopted by the legislature, the governor, the mayors of each
12 county, and the Office of Hawaiian Affairs identifying six
13 targets that the State would commit to reaching by 2030, one of
14 which is doubling local food production. In order for the local
15 agricultural industry to develop, expand, and thrive, access to
16 affordable capital will be essential. The legislature finds
17 that the state agricultural loan programs provide affordable

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1 capital for new farmers to start their operations or expand
2 existing operations.

3 The purpose of this Act is to provide additional funding to
4 the state agricultural loan program in order to meet the demand
5 of a growing agricultural sector. Increased funding will allow
6 for additional farming operations due to the recent purchase of
7 the Galbraith lands and other state projects statewide. With
8 additional resources, the State will be able to continue its
9 growth of import replacements and food sustainability.

10 SECTION 2. There is appropriated out of the general
11 revenues of the State of Hawaii the sum of \$4,000,000 or so much
12 thereof as may be necessary for fiscal year 2016-2017 to be paid
13 into the agricultural loan revolving fund created in section
14 155-14, Hawaii Revised Statutes. The sum appropriated by this
15 Act shall be expended by the department of agriculture for the
16 purposes of the fund.

17 SECTION 3. This Act, upon its approval, shall take effect
18 on July 1, 2016.

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INTRODUCED BY: 
BY REQUEST

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Report Title:

Agricultural Loan Program

Description:

Appropriates \$4,000,000 for the agricultural loan program to increase the State's food sustainability.

JUSTIFICATION SHEET

DEPARTMENT: Agriculture

TITLE: A BILL FOR AN ACT RELATING TO THE AGRICULTURAL LOAN REVOLVING FUND.

PURPOSE: Appropriate funds into the Agricultural Loan Program to increase the State's food sustainability.

MEANS: Appropriate \$4,000,000 from the general fund.

JUSTIFICATION: Hawaii is the most geographically isolated state in the country and is dangerously dependent on imported food, placing residents at risk of food shortages in event of transportation disruptions, natural disasters at out of state production sites, and other external factors beyond the State's control. High levels of food importation result in lost job opportunities for local residents and exports dollars out of the State.

Expansion of local food production is vital to protect Hawaii's citizens. The 2014 Aloha+ Challenge resolution was adopted by the legislature, the governor, the mayors of each county, and the Office of Hawaiian Affairs identifying six targets that the State would commit to reaching by 2030, one of which is doubling local food production. In order for the local agricultural industry to develop, expand, and thrive, access to affordable capital will be essential. The state agricultural loan programs provides affordable capital for new farmers to start their operations or expand existing operations.

The intent of this bill is to provide additional funding to the state agricultural

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loan program in order to meet the demand of a growing agricultural sector. Increased funding will allow for additional farming operations due to the recent purchase of the Galbraith lands and other state projects statewide. With additional resources, the State will be able to continue its growth of import replacements and food sustainability.

The general fund appropriation included in this measure has been made in accordance with the statutorily defined appropriation ceiling for the Executive Branch pursuant to section 37-92, Hawaii Revised Statutes. Including appropriations made up to and including the regular session of 2015, the Executive Branch appropriation ceiling for fiscal year 2016-17 has already been exceeded by \$14,892,787 or 0.2 percent. Funding requested in this measure to increase the Agricultural Loan Program to increase the state's food sustainability will result in the appropriation ceiling for the Executive Branch to now be exceeded in fiscal year 2016-17 by an additional \$4,000,000 or 0.06 percent. This current declaration takes into account additional general fund appropriations authorized for fiscal year 2016-17 in this measure only, and does not include other general fund appropriations for fiscal year 2016-17 that may be authorized for the Executive Branch in other legislation submitted to the Legislature during the regular session of 2016.

Impact on the public:

Would increase low interest loans available and increase the State's food sustainability.

Impact on the department and other agencies:

None.

GENERAL FUND: \$4,000,000.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: AGR 101.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: July 1, 2016.