

1979

Program ID	FY 1979-80	M O F	FY 1980-81	M O F	Total Biennium 1979-81
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30					30
30C		C			30C

20					20
20C		C			20C

ANCE OF BONDS

n Bonds. General obligation bonds may be amount that may be necessary to finance Part III of this Act, provided that the sum issued shall not exceed \$5,339,000.

AL PROVISIONS

vision of this Act to the contrary notwith- tal investment projects authorized in Part II ose at the end of the fiscal year for which the appropriations made to be expended in fiscal of June 30, 1982 shall lapse as of that date.

horized to delegate to other State or County g, design, and construction of any capital d by the judiciary that it is an advantage to

nces after the objectives of appropriations poses from the general obligation fund and , shall be transferred to the judiciary project

e amount specified for a capital investment l where the source of funding for the project bond fund, the chief justice may make adjustment fund; provided that such supple- ncrease the scope of the project; provided l allotments and transfers into the judiciary ction 14 for the period ending December 31 e President of the Senate and the Speaker of y 1 of the following calendar year.

SECTION 17. Where it has been determined that changed conditions, such as reduction in the particular population being served, permit the reduction in the scope of a project listed in Part III, the chief justice may authorize such reduction of project scope; provided that the scope of a project shall not be reduced merely because the appropriation for the project is insufficient.

SECTION 18. The chief justice shall determine when and the manner in which the authorized projects shall be initiated. He shall notify the governor from time to time of the specific amounts required for the projects, and the governor shall provide for such amounts through the issuance of bonds authorized in Part IV.

PART VI. MISCELLANEOUS PROVISIONS AND EFFECTIVE DATE

SECTION 19. Severability. If any portion of this Act or its application to any person or circumstances is held to be invalid for any reason, then the legislature hereby declares that the remainder of the Act and each and every other provision thereof shall not be affected thereby. If any portion of a specific appropriation is held to be invalid for any reason, the remaining portion shall be independent of the invalid portion and such remaining portion shall be expended to fulfill the objective and intent of such appropriation to the extent possible.

SECTION 20. Manifest errors. In the event manifest clerical, typographical, or other mechanical errors are found in this Act, the chief justice is authorized to correct such errors. All changes made pursuant to this section shall be reported to the legislature at its next session.

SECTION 21. Effective date. This Act shall take effect on July 1, 1979.

(Approved June 9, 1979.)

ACT 209

H.B. NO. 455

A Bill for an Act Relating to the Hawaiian Homes Commission Act.

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

SECTION 1. Purpose. The purpose of this Act is to increase the amount the department is presently authorized to borrow or guarantee on loans from \$18,000,000 to \$21,000,000 to cover the department's projected guarantee requirements for its housing program up to biennium 1979-81.

SECTION 2. Section 214, Hawaiian Homes Commission Act, 1920, as amended, is amended to read:

"Sec. 214 Purposes of loans; authorized loans. (a) The department may make loans from revolving funds to any lessee to whom, or any cooperative association to which, a lease or license has been issued under section 207 of this Act. Such loans may be made for the following purposes:

- (1) The repair or maintenance or purchase or erection of dwellings on any tract, and the undertaking of other permanent improvements thereon;
- (2) The purchase of livestock, swine, poultry, fowl, and farm equipment;

- (3) Otherwise assisting in the development of tracts and of farm and ranch operations;
  - (4) The cost of breaking up, planting, and cultivating land and harvesting crops, the purchase of seeds, fertilizers, feeds, insecticides, medicines, and chemicals for disease and pest control for animals and crops, and the related supplies required for farm and ranch operations, the erection of fences and other permanent improvements for farm or ranch purposes and the expense of marketing; and
  - (5) To assist lessees in the operation or erection of theaters, garages, service stations, markets, stores, and other mercantile establishments, all of which shall be owned by lessees of the department or by organizations formed and controlled by the lessees.
- (b) In addition the department may:
- (1) Use moneys in the development and operating funds, with the prior approval of the governor, to match federal, state, or county funds available for the same purposes and to that end, enter into such undertaking, agree to such conditions, transfer funds therein available for such expenditure, and do and perform such other acts and things, as may be necessary or required, as a condition to securing matching funds for such projects or works;
  - (2) Loan or guarantee the repayment of or otherwise underwrite any authorized loan or portion thereof, up to a maximum of \$35,000 in† lessees in accordance with section 215;
  - (3) Loan or guarantee the repayment of or otherwise underwrite any authorized loan or portion thereof to a cooperative association in accordance with section 215;
  - (4) Permit and approve loans made to lessees by government agencies or private lending institutions, where the department assures the payment of such loans; provided that upon receipt of notice of default in the payment of such assured loans, the department may, upon failure of the lessee to cure the default within sixty days, cancel the lease and pay the outstanding balance in full or may permit the new lessee to assume the outstanding debt; and provided further that the department shall reserve the following rights: the right of succession to the lessee's interest and assumption of the contract of loan; the right to require that written notice be given to the department immediately upon default or delinquency of the lessee; and any other rights enumerated at the time of assurance necessary to protect the monetary and other interests of the department;
  - (5) Secure, pledge, or otherwise guarantee the repayment of moneys borrowed by the department from government agencies or private lending institutions and pay the interim interest or advances required for loans; provided that the State's liability, contingent or otherwise, either on moneys borrowed by the department or on departmental guarantees of loans made to lessees under this paragraph and [paragraph] paragraphs (2), (3), and (4) of this section, shall at no time exceed [\$18,000,000;] \$21,000,000;

†So in original. Probably should read "to".

- (6) Use available loan fund moneys or other funds specifically available for such purposes as cash guarantees when required by lending agencies;
- (7) Exercise the functions and reserved rights of a lender of money or mortgage of residential property in all direct loans made by government agencies or by private lending institutions to lessees the repayment of which is assured by the department. The functions and reserved rights shall include but not be limited to, the purchasing, repurchasing, servicing, selling, foreclosing, buying upon foreclosure, guaranteeing the repayment, or otherwise underwriting, of any loan, the protecting of security interest, and after foreclosures, the repairing, renovating, or modernization and sale of property covered by the loan and mortgage."

SECTION 3. Statutory material to be repealed is bracketed. New material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved June 9, 1979.)

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, wasteland.
- (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