
HOUSE RESOLUTION

REQUESTING THE DEPARTMENT OF AGRICULTURE TO STUDY THE APPLICABILITY AND USE OF THE AGRICULTURAL INCOME CAPITALIZATION APPROACH AND OTHER METHODOLOGIES TO STABILIZE THE REOPENING OF RENTS FOR DEPARTMENT OF AGRICULTURE'S AGRICULTURAL PARKS.

1 WHEREAS, the State Constitution mandates that public lands
2 be used for the development of farm and homeownership on a
3 widespread basis; and
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5 WHEREAS, it is in the best interest of the State that
6 agricultural lands be used productively and in a reasonable way
7 to emphasize sustainability and preservation of state
8 agricultural lands; and
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10 WHEREAS, the Uniform Standards of Professional Appraisal
11 Practice allow appraisers to analyze all information applicable
12 to the appraisal methodology, including sales comparison, cost,
13 and income approaches; and
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15 WHEREAS, determining lease rent rates by sales comparisons
16 may dramatically increase lease rent rates during times when
17 real estate market sales are high; and
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19 WHEREAS, appraisers lack the knowledge or understanding
20 necessary to use the income capitalization approach which
21 factors in the agricultural yield of farmed land; and
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23 WHEREAS, there is a shortage of appraisers who are capable
24 of using the income capitalization approach; and
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26 WHEREAS, there is an urgent need to train appraisers to use
27 the income capitalization approach to establish reasonable lease
28 rent rates for state agricultural lease rent reopenings; and
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30 WHEREAS, the Department of Agriculture is encouraged to
31 work with the Department of Land and Natural Resources to
32 maintain the agricultural production statistics necessary to use



1 the income capitalization approach which will stabilize state
2 agricultural lease rent rates; now, therefore,
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4 BE IT RESOLVED by the House of Representatives of the
5 Twenty-third Legislature of the State of Hawaii, Regular Session
6 of 2006, that the Department of Agriculture is requested to
7 study the feasibility and implementation of the income
8 capitalization approach and other methodologies to stabilize and
9 set lease rent rates for the Department of Agriculture's
10 agricultural park lease reopenings; and
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12 BE IT FURTHER RESOLVED that the report include examples of
13 lease rent amounts resulting from using the income
14 capitalization approach or other methodologies, the costs and
15 training needs associated with implementation of the preferred
16 practice, and the timeframe for implementation; and
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18 BE IT FURTHER RESOLVED that the Department of Agriculture
19 is requested to report its findings and recommendations to the
20 Legislature no later than twenty days before the convening of
21 the Regular Session of 2007; and
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23 BE IT FURTHER RESOLVED that certified copies of this
24 Resolution be transmitted to the Chairperson of the Board of
25 Agriculture and the Chairperson of the Board of Land and Natural
26 Resources.
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OFFERED BY:



Joseph P. Abinsay, Jr.
Michael G. Ngawa
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