

---

# SENATE 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  
4

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  
9

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  
14

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  
18

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  
22

23           WHEREAS, there is a shortage of appraisers who are capable  
24 of using the income capitalization approach; and  
25

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; now,  
29 therefore,  
30

31           BE IT RESOLVED by the Senate of the Twenty-third  
32 Legislature of the State of Hawaii, Regular Session of 2006,  
33 that the Department of Agriculture is requested to study the



1 feasibility and implementation of the income capitalization  
2 approach and other methodologies to stabilize and set lease rent  
3 rates for the Department of Agriculture's agricultural park  
4 lease reopenings; and

5  
6 BE IT FURTHER RESOLVED that the Department of Agriculture  
7 is requested to report its findings and recommendations to the  
8 Legislature no later than twenty days before the convening of  
9 the Regular Session of 2007; and

10  
11 BE IT FURTHER RESOLVED that certified copies of this  
12 Resolution be transmitted to the Chairperson of the Board of  
13 Agriculture and the Chairperson of the Board of Land and Natural  
14 Resources.

