

Honolulu, Hawaii
Feb 17, 2006

RE: H.B. No. 2177

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 2177 entitled:

"A BILL FOR AN ACT PROPOSING AN AMENDMENT TO ARTICLE VII, SECTION 12, OF THE HAWAII STATE CONSTITUTION,"

begs leave to report as follows:

The purpose of this bill is assist agricultural businesses by proposing an amendment to the State Constitution that would authorize the State to issue special purpose revenue bonds (SPRBs) to assist agricultural businesses operating on important agricultural land.

The Department of Agriculture, Land Use Research Foundation of Hawaii, Hawaii Farm Bureau Federation, and a concerned individual testified in support of this bill. The Hawaii Agriculture Research Center supported the intent of this measure. The Sierra Club, Hawaii Chapter, and Earthjustice opposed this bill. The Department of Budget and Finance provided comments.

Your Committee finds that funds obtained from the issuance of SPRBs could be used to construct or renovate irrigation systems or infrastructure on those lands. However, the construction of irrigation systems raises issues concerning the proper allocation of Hawaii's limited water resources. Your Committee believes that this issue should be examined in conjunction with H.B. No. 2178, another bill making its way through the legislative process that establishes a new part in chapter 39A, Hawaii Revised Statutes, to implement the bond authorization in this bill in the event that

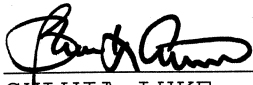
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the constitutional amendment in this bill is adopted by the electorate.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2177 and recommends that it be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,


for SYLVIA LUKE, Chair



