

Honolulu, Hawaii

April 28, 2006RE: H.B. No. 2179
H.D. 2
S.D. 2
C.D. 1

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

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 2179, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to provide much-needed improvements to agricultural irrigation systems by:

- (1) Establishing the Irrigation Repair and Maintenance Special Fund (Special Fund);
- (2) Establishing a tax credit for matching funds provided by landowners who receive funding from the Special Fund;
- (3) Authorizing and appropriating general obligation bond funds for the Special Fund, provided that the general obligation bond funds are matched by federal funds;

HB2179 CD1 HCCR HMS 2006-3821



- (4) Appropriating funds for certain, specific irrigation systems; and
- (5) Appropriating funds for the operational, management, and administrative costs incurred by the Board of Agriculture in carrying out the provisions of the bill.

Your Committee on Conference finds that the agricultural industry is an important component of the state's economic and social well-being. This measure provides some of the necessary money and incentives needed to begin repairs and maintenance on irrigation systems statewide.

Your Committee on Conference has amended this measure by:

- (1) Deleting the tax credit;
- (2) Establishing a vocational agricultural education program in the Department of Education and appropriating \$100,000 for this program;
- (3) Replacing the general obligation bond authorization and appropriation for the Special Fund with a general fund appropriation of \$1,500,000, provided that \$1,500,000 in federal funds are also deposited into the Special Fund;
- (4) Changing the appropriation amount out of the Special Fund to \$3,000,000;
- (5) Changing the appropriation amount for the specific irrigation systems to \$11,886,000, to be allocated as follows:
 - (A) \$2,336,000 for the East Kauai Irrigation System;
 - (B) \$500,000 for the Waimanalo Irrigation System;
 - (C) \$2,500,000 for the Molokai Irrigation System;
 - (D) \$4,850,000 for the Waimea Irrigation System; and
 - (E) \$1,700,000 for the Lower Hamakua Irrigation System;



- (6) Changing the expending agency for the appropriation for the specific irrigation systems in item (5) to the Department of Agriculture;
- (7) Deleting the appropriation for the operational, management, and administrative costs incurred by the Board of Agriculture in carrying out the provisions of the bill;
- (8) Deleting the provision naming the bill as the "New Directions for Diversified Agriculture Act"; and
- (9) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee on Conference notes that with the decline of the sugar industry, agricultural lands are returning to a new era of small-diversified agricultural farms. Crops like coffee, macadamia nuts, flowers and foliage, and specialty exotic fruits not only provide fresh produce and flowers to Hawaii's markets but also have become major exports to destinations around the world.

To maintain and expand this growing industry, your Committee on Conference finds that a broad spectrum of skilled and professional workers, from field workers to researchers and from managers to agronomists, are necessary. Accordingly, your Committee on Conference has further amended this measure by directing the Department of Education to establish and administer a comprehensive vocational agriculture education program in the public schools.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2179, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2179, H.D. 2, S.D. 2, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE



RUSSELL S. KOKUBUN, Chair



JERRY L. CHANG, Co-Chair




BRIAN T. TANIGUCHI, Co-Chair


DWIGHT TAKAMINE, Co-Chair



**Record of Votes of a
Conference Committee**

Bill / Concurrent Resolution No.: HB 2179, HD 2, SD 2	Date/Time: 4/28/06
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure

The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.

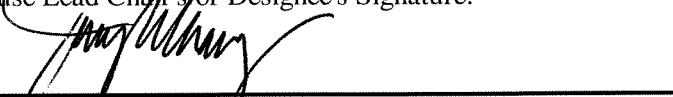
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
KOKUBUN, Russell S., Chr.	✓				CHANG, Jerry L., Co-Chr.	✓			
TANIGUCHI, Brian, Co-Chr.	✓				TAKAMINE, Dwight Y., Co-Chr.	✓			
SLOM, Sam	✓				CARROLL, Mele	✓			
					TSUJI, Clift	✓			
					HALFORD, Chris	✓			
TOTAL	3				TOTAL	5			

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is:
 Adopted Not Adopted

House Recommendation is:
 Adopted Not Adopted

Senate Lead Chair's or Designee's Signature:


House Lead Chair's or Designee's Signature:


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