

Honolulu, Hawaii
Feb 8, 2006

RE: H.B. No. 3068
H.D. 1

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

Sir:

Your Committee on Economic Development & Business Concerns,
to which was referred H.B. No. 3068 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose of this bill is to promote agriculture within the
state by establishing a Kunia Special Agricultural District
(District). Specifically, this bill:

- (1) Requires the Board of Land and Natural Resources to transfer all non-agricultural park lands and other public lands in its control within the District to the Agribusiness Development Corporation (ADC);
- (2) Requires the ADC to acquire public and private lands within the District for the development of agricultural projects and project facilities;
- (3) Allows ADC to use funds from the Hawaii Agricultural Development Revolving Fund (Revolving Fund);
- (4) Allows the Director of Finance to invest state funds in linked investments for the purpose of providing agricultural use loans; and
- (5) Appropriates funds into the Revolving Fund for activities relating to the District.



The Hawaii Farm Bureau Federation and C&H Farms testified in support of this bill. The Department of Land and Natural Resources (DLNR) and ADC supported the intent of this measure. The Department of Agriculture (DOA) and Department of Budget and Finance offered comments.

Your Committee has amended this bill by:

- (1) Clarifying that in establishing the District, this bill is not intended to interfere with DLNR's transfer of non-agricultural park lands and related facilities to DOA;
- (2) Providing that the State shall have no liability in the event of a linked investment loan default;
- (3) Enabling the funds appropriated by this bill to be used for the hiring of staff by ADC to develop and implement projects on ADC-controlled lands within the District;
- (4) Adding a savings clause; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3068, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3068, H.D. 1, and be referred to the Committees on Agriculture and Water, Land, & Ocean Resources.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business
Concerns,



JON RIKI KARAMATSU, Chair



