

Honolulu, Hawaii

Feb 17, 2006

RE: H.B. No. 3068
H.D. 2

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

Sir:

Your Committee on Agriculture, to which was referred H.B. No. 3068, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose of this bill is to promote agricultural development in the Kunia area on Oahu by establishing the Kunia Special Agricultural District (District). Specifically, this bill, among other things:

- (1) Establishes boundaries of the District;
- (2) Requires the Board of Land and Natural Resources to transfer all non-agricultural parks lands and other public lands in its control within the District to the Agribusiness Development Corporation (ADC), with certain conditions and exceptions;
- (3) Requires the ADC to acquire public and private lands within the District for the development of agricultural projects and project facilities;
- (4) Allows the Director of Finance to invest state funds in linked investments that provide loans to agricultural enterprises in the District; and



- (5) Appropriates \$50,000,000 into the Hawaii Agricultural Development Revolving Fund to be used for activities related to the District.

The Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, C&H Farms, Hawaii Crop Improvement Association, and the Pineapple Growers Association of Hawaii supported this bill. The Department of Agriculture, ADC, and ILWU Local 142 supported the intent of this bill. The Department of Budget and Finance, The Estate of James Campbell, and Land Use Research Foundation of Hawaii submitted comments.

Your Committee supports the establishment of the District as a means to accelerate development of viable agricultural businesses in the Kunia area. However, your Committee notes that concerns were raised regarding the following geographic boundaries of the District contained in the bill: "...within the area generally bounded by Farrington highway to the south, Kipapa gulch and Kamehameha highway to the east, Wheeler Air Force Base and Schofield Barracks to the north, and Makakilo Drive, the Makakilo residential urban district, and the Honouliuli forest reserve to the west." Your Committee believes that additional discussion should take place regarding the appropriate geographic boundaries for the District and supports future legislative efforts to address this matter.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the geographic boundaries of the District; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3068, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 3068, H.D. 2.



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

Felipe P. Abinsay, Jr.

FELIPE P. ABINSAY, JR., Chair



