

Honolulu, Hawaii

March 24, 2006

RE: S.B. No. 2479
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 Judiciary, to which was referred S.B. No. 2479 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 to amend Article VII, section 12, of the Constitution of the State of Hawaii, to authorize the issuance of, and use of proceeds from, special purpose revenue bonds (SPRB) to assist agricultural businesses operating on important agricultural lands.

The Department of Agriculture, University of Hawaii College of Tropical Agriculture and Human Resources, Hawaii Crop Improvement Association, Land Use Research Foundation of Hawaii, Meadow Gold Dairies, and Pineapple Growers Association of Hawaii testified in support of this bill. The Hawaii Agriculture Research Center supported the intent of this measure. Earthjustice opposed this measure. The Department of Budget and Finance offered comments.

Your Committee finds that the preservation of agricultural lands is a significant issue. However, concerns were raised about the potential adverse effects of funding irrigation system improvements that may divert water from streams in a way that harms native stream life, cultural uses, and ecosystem balance. Water is a public trust resource that the State must protect, and



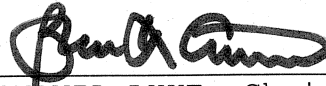
discussions about methods to preserve natural streams, including the establishment of scientifically-based instream flow standards are necessary in finding comprehensive solutions.

Your Committee has amended this bill by:

- (1) Replacing the term "agricultural businesses" with "agricultural enterprises," to be consistent with existing SPRB authorizations;
- (2) Expanding the issuance of SPRB for agricultural enterprises operating on agricultural lands, instead of *important* agricultural lands, to provide less restrictive and broader authorization which may enable a wider range of projects to be eligible for SPRB financing for agricultural purposes; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 S.B. No. 2479, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2479, H.D. 1, and be referred to the Committee on Finance.

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

for 
SYLVIA LUKE, Chair



