

Honolulu, Hawaii

March 24, 2006

RE: S.B. No. 2485  
S.D. 2  
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. 2485, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS,"

begs leave to report as follows:

The purpose of this bill is to authorize the Department of Budget and Finance (B&F) to issue special purpose revenue bonds (SPRBs) to assist agricultural businesses operating on important agricultural lands.

The Department of Agriculture, Land Use Research Foundation of Hawaii, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Meadow Gold Dairies, Pineapple Growers Association of Hawaii, and a concerned individual supported this bill. Earthjustice opposed this measure. B&F provided comments.

Your Committee finds that the preservation of important agricultural lands is a significant issue. However, concerns were raised about the potential adverse effect 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 further finds that certain terms in this bill may restrict the flexibility of future Legislatures in supporting a wider range of agricultural projects. First, requiring agricultural businesses to operate on important agricultural lands instead of any type of agricultural lands will limit the projects that may be considered for SPRB financing. And second, the term, "agricultural businesses", may prove similarly restrictive. On the other hand, substituting a broader term such as "agricultural enterprises" would provide greater flexibility for future Legislatures. The use of "agricultural enterprises" is also consistent with other parts of chapter 39A, Hawaii Revised Statutes, that refer to manufacturing enterprises, processing enterprises, and industrial enterprises.

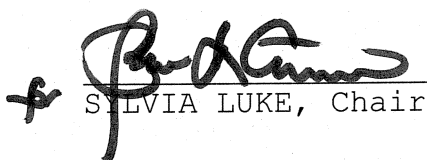
Accordingly, your Committee has amended this bill by:

- (1) Expanding the scope of the SPRBs to apply to any agricultural land; and
- (2) Replacing references to "agricultural businesses" with "agricultural enterprises".

Technical, nonsubstantive amendments were also made for consistency, clarity, 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. 2485, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2485, S.D. 2, H.D. 1.

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

  
SILVIA LUKE, Chair



