

Honolulu, Hawaii

Ag: 17, 2006

RE: S.B. No. 2954  
S.D. 2  
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 Finance, to which was referred S.B. No. 2954, S.D. 2, 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 ensure a viable future for Hawaii's agricultural ventures by providing funding sources and incentives to repair and maintain our aging irrigation systems. Specifically this bill:

- (1) Establishes an Irrigation Repair And Maintenance Special Fund (Special Fund);
- (2) Establishes a tax credit for matching funds provided by landowners who receive funding from the Special Fund;  
and
- (3) Appropriates money for the repair of irrigation systems statewide.

The Agribusiness Development Corporation, University of Hawaii's College of Tropical Agriculture and Human Resources, Castle and Cook Hawaii, Meadow Gold Dairies, Alexander and Baldwin, C and H Farms, Hawaii Crop Improvement Association, East Kauai Water Users' Cooperative, Pineapple Growers Association of Hawaii, Maui County Farm Bureau, Big Island Farm Bureau, Hawaii

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Farm Bureau, Land Use Research Foundation of Hawaii, and Hawaii Agricultural Research Center supported this bill. The Department of Agriculture and Department of Taxation supported the intent of this measure. The Office of Hawaiian Affairs, Department of Planning and Permitting of the City and County of Honolulu, and Earthjustice opposed this bill. The Department of Budget and Finance and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Appropriating money from the general fund rather than authorizing the use of general obligation bonds as a direct means of financing repair and maintenance projects for specific irrigation systems;
- (2) Deleting the \$11,866,000 appropriation for repair and maintenance projects for specific irrigation systems; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2954, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2954, S.D. 2, H.D. 2.

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

  
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DWIGHT TAKAMINE, Chair



