

Honolulu, Hawaii

MAR 24 2006

RE: H.B. No. 2179
H.D. 2
S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Water, Land, and Agriculture, to which was referred H.B. No. 2179, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose of this measure is to provide money and incentives for repairs to irrigation systems statewide.

Specifically, this measure:

- (1) Establishes the irrigation repair and maintenance special fund;
- (2) Allows grants from the irrigation repair and maintenance special fund to private irrigation system owners who provide matching funds equal to the amount received from the special fund; provided that the lands served by the irrigation system is dedicated to diversified agriculture;
- (3) Defines "diversified agriculture";
- (4) Provides an income tax credit equal to the amount that the irrigation system owner provided in obtaining funding from the irrigation repair and maintenance special fund;



- (5) Authorizes the issuance of general obligation bonds in the sum of \$30,000,000 and appropriates the same amount to be deposited into the irrigation repair and maintenance special fund; provided that \$50,000,000 in federal matching funds are also deposited into the irrigation repair and maintenance special fund; and
- (6) Makes an \$11,886,000 appropriation for the repair and maintenance of certain irrigation systems and an unspecified sum for the administrative costs.

Testimony in support of this measure was submitted by the Department of Agriculture; the Agribusiness Development Corporation; the Department of Taxation; the University of Hawaii's College of Tropical Agriculture and Human Resources; Alexander & Baldwin, Inc.; C&H Farms; Castle & Cooke Hawaii; East Kauai Water Users' Cooperative; the Hawaii Agriculture Research Center; the Hawaii Farm Bureau Federation; the Land Use Foundation of Hawaii; and the Maui County Farm Bureau. Testimony in opposition to this measure was submitted by the Department of Budget and Finance and the City and County of Honolulu's Department of Planning and Permitting. Comments were submitted by the Tax Foundation of Hawaii.

Your Committee finds that the agricultural industry is an important component of the State's economic and social well-being. This measure provides some of the necessary money and incentives needed to begin repairs and maintenance on irrigation systems statewide.

Your Committee has amended this measure by:

- (1) Naming the Wahiawa Reservoir and ditch system as a specific system that may receive money from the irrigation repair and maintenance special fund;
- (2) Amending the definition of "diversified agriculture" to include, rather than exclude, sugarcane and pineapple agricultural operations;
- (3) Requiring that a "majority of all lands served by the water produced by the irrigation system be designated as important agricultural lands," rather than "all land within two miles of the water produced by the irrigation



system be designated as important agricultural lands," for requesting funding assistance; and

- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2179, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2179, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

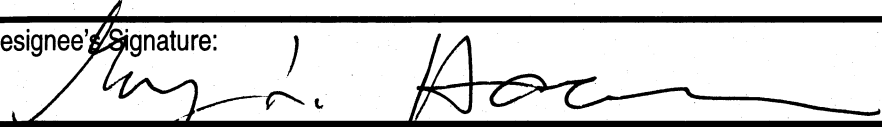
Respectfully submitted on
behalf of the members of the
Committee on Water, Land, and
Agriculture,


RUSSELL S. KOKUBUN, Chair



The Senate
 Twenty-Third Legislature
 State of Hawaii

Record of Votes of the
 Committee on Water, Land and Agriculture
 (Bills and Resolutions)

Measure:* <i>HB2179 HD2</i>	Committee Referral: <i>WLA, WAM</i>	Date: <i>3/20/06</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is to:				
<input type="checkbox"/> Pass, unamended (2312) <input checked="" type="checkbox"/> Pass, with amendments (2311) <input type="checkbox"/> Hold (2310) <input type="checkbox"/> Recommit (2313)				
Members	Ayes	Ayes(WR)	Nays	Excused
KOKUBUN, Russell S. (C)	✓			
HOOSER, Gary L. (VC)	✓			
ENGLISH, J. Kalani	✓			
FUKUNAGA, Carol				✓
HEMMINGS, Fred	✓			
TOTAL	4			1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Do not list more than one measure per Record of Votes.