

STAND. COM. REP. NO.

2493

Honolulu, Hawaii

FEB 17

, 2006

RE: S.B. No. 2485
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 S.B. No. 2485 entitled:

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

begs leave to report as follows:

The purpose of this measure is to authorize special purpose revenue bonds for certain agricultural enterprises that construct or renovate irrigation systems or infrastructure which directly benefit and serve important agricultural lands.

Testimony in support of this measure was submitted by the Department of Agriculture, the Department of Budget and Finance, the Department of Taxation, the University of Hawaii College of Tropical Agriculture and Human Resources, Hawaii Agriculture Research Center, the Hawaii Crop Improvement Association, the Hawaii Farm Bureau Federation, the Land Use Research Foundation of Hawaii, and Maui Land and Pineapple Company, Inc. Testimony in opposition to this measure was submitted by Earthjustice and the Sierra Club. Comments were also submitted by the Department of the Attorney General.

Your Committee finds that Hawaii's agriculture industry has the ability to be globally competitive in developing high-value products that take advantage of Hawaii's brand identity. Thus, your Committee further finds that encouraging agricultural development will pay not only financial dividends to the State, but environmental and social dividends as well. This measure

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helps agriculture take steps in that direction by authorizing special purpose revenue bonds for certain agricultural enterprises that construct or renovate irrigation systems or infrastructure which directly benefit and serve important agricultural lands.

Your Committee has amended this measure by:

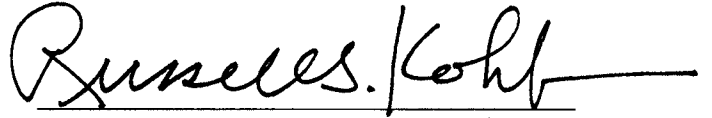
- (1) Replacing all references to "agricultural enterprises that construct or renovate irrigation systems or infrastructure that directly benefit and serve important agricultural lands" with "agricultural businesses operating on important agricultural lands" so that the terms in this measure are consistent with the terms in S.B. No. 2479 proposing a related constitutional amendment;
- (2) Adding a provision that requests the Revisor of Statutes to substitute the appropriate section numbers for the letters used in designating the new sections; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

Your Committee notes testimony from Earthjustice and the Sierra Club raising important concerns regarding the need to establish instream flow standards. Your Committee agrees that these standards are very important to the State and emphasizes that this issue is currently addressed in other measures moving through the legislative process.

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 S.B. No. 2485, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2485, 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,

A handwritten signature in black ink that reads "Russell S. Kokubun". The signature is written in a cursive style with a long horizontal line extending to the right from the end of the name.

RUSSELL S. KOKUBUN, Chair



