

Honolulu, Hawaii

, 2006

Feb. 16

RE: S.B. No. 3075  
S.D. 1

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

Sir:

Your Committees on Water, Land, and Agriculture and Intergovernmental Affairs, to which was referred S.B. No. 3075 entitled:

"A BILL FOR AN ACT RELATING TO IMPORTANT AGRICULTURAL LAND,"

beg leave to report as follows:

The purpose of this measure is to provide a tax credit for important agricultural lands (IAL) county property taxes.

Testimony in support of this measure was submitted by C&H Farms, Kamehameha Schools, and the Land Use Research Foundation of Hawaii. Testimony in opposition to this measure was submitted by the Department of Taxation, the City and County of Honolulu's Department of Budget and Fiscal Services and Department of the Corporation Counsel, the County of Hawaii's Finance Department, and the Tax Foundation of Hawaii. Comments were submitted by the Department of Agriculture.

Your Committees find that providing incentives for landowners and farmers on IAL are very crucial to our agricultural industry's well-being. Thus, this measure:

- (1) Establishes an IAL tax credit equal to the amount of county property taxes paid by taxpayers who use their IAL for commercial agricultural purposes; and



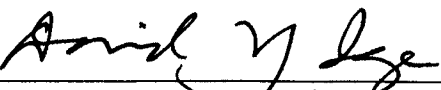
- (2) Reduces each county's portion of the transient accommodations tax revenue by the amount of credits claimed against each county's property tax assessments.

Your Committees have amended this measure by:

- (1) Changing the effective date to provide that on July 1, 2050, section 237D-6.5(b) and (c) shall be amended to include the changes made in this measure;
- (2) Inserting an effective date of July 1, 2050 to ensure ongoing discussions on this issue; and
- (3) Making technical, nonsubstantive amendments for style.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3075, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3075, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Water, Land, and  
Agriculture and  
Intergovernmental Affairs,

  
\_\_\_\_\_  
DAVID Y. IGE, Chair

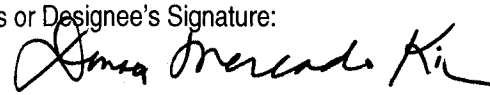
  
\_\_\_\_\_  
RUSSELL S. KOKUBUN, Chair





The Senate  
Twenty-Third Legislature  
State of Hawaii

Record of Votes of the  
Committee on Intergovernmental Affairs  
(Bills and Resolutions)

Measure:*	Committee Referral:	Date:
SB 3075	WLA/IGA, WAM	2-13-06
<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)
IGE, David Y. (C)	/	
KIM, Donna Mercado (VC)	/	
BAKER, Rosalyn H.		
ENGLISH, J. Kalani	/	
INOUYE, Lorraine R.		
NISHIHARA, Clarence K.		
SLOM, Sam		✓
		* 2
TOTAL	3	1
Recommendation:		
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
		
Distribution:		
Original	Yellow	Pink
File with Committee Report	Clerk's Office	Drafting Agency
		Goldenrod
		Committee File Copy

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