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# A BILL FOR AN ACT

RELATING TO IMPORTANT AGRICULTURAL LANDS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 PART I

2 SECTION 1. In 1978, voters approved article XI, section 3,  
3 of the Constitution of the State of Hawaii, which set out the  
4 framework for state policies to promote agriculture and the  
5 conservation of productive agricultural lands in the state.

6 Article XI, section 3, reads as follows:

7 "The State shall conserve and protect  
8 agricultural lands, promote diversified agriculture,  
9 increase agricultural self sufficiency and assure the  
10 availability of agriculturally suitable lands. The  
11 legislature shall provide standards and criteria to  
12 accomplish the foregoing.

13 Lands identified by the State as important  
14 agricultural lands needed to fulfill the purposes  
15 above shall not be reclassified by the State or  
16 rezoned by its political subdivisions without meeting  
17 the standards and criteria established by the



1 legislature and approved by a two-thirds vote of the  
2 body responsible for the reclassification or rezoning  
3 action."

4 To address the issue of important agricultural lands, Act  
5 183, Session Laws of Hawaii 2005, established standards,  
6 criteria, and mechanisms to identify important agricultural  
7 lands and to implement the intent and purpose of article XI,  
8 section 3, of the Hawaii Constitution.

9 Act 183 also recognized that while the supply of lands  
10 suitable for agriculture is critical, the long-term viability of  
11 agriculture also depends on other factors, including:

- 12 (1) Commodity prices;
- 13 (2) Availability of water for irrigation;
- 14 (3) Agricultural research and outreach;
- 15 (4) Application of production technologies;
- 16 (5) Marketing; and
- 17 (6) Availability and cost of transportation services.

18 The purpose of this Act is to:

- 19 (1) Provide incentives and protections to establish and  
20 sustain viable agricultural operations on important  
21 agricultural lands; and



1 (2) Provide for the designation of important agricultural  
2 lands on public lands by:

3 (A) Requiring the department of agriculture and  
4 department of land and natural resources to  
5 jointly identify the state-owned lands that  
6 should be designated as "important agricultural  
7 lands"; and

8 (B) Transferring management authority over those  
9 lands to the department of agriculture.

10 PART II

11 SECTION 2. Chapter 235, Hawaii Revised Statutes, is  
12 amended by adding a new section to be appropriately designated  
13 and to read as follows:

14 "§235- Rental income from agricultural leases on  
15 important agricultural lands excluded from gross income. (a)  
16 In addition to the exclusions in section 235-7 there shall be  
17 excluded from gross income, adjusted gross income, and taxable  
18 income, rental income including lease rents, in an amount not to  
19 exceed \$ that is received by a taxpayer subject to the  
20 taxes imposed by this chapter and derived from agricultural  
21 leases on lands identified and designated as important



1 agricultural lands pursuant to part III of chapter 205, for the  
2 taxable year the rental income was realized; provided that:

3 (1) The minimum length of the initial lease term shall be:

4 (A) Twenty years; or

5 (B) Any other lease term mutually agreeable to the

6 lessor and lessee, if the amount of the lease

7 rent is set by an independent appraisal using the

8 lower of the comparable value or agricultural

9 capitalization appraisal methodologies;

10 and

11 (2) The lease is in effect and the lessee is continuously

12 and substantially undertaking agribusiness on the

13 leased land, pursuant to chapter 205, as verified by

14 the department of agriculture on a regular basis using

15 a process determined by the department of agriculture;

16 provided that the exclusion shall not apply if the lease is

17 terminated or the department of agriculture determines that the

18 leased land is not continuously and substantially used for

19 agribusiness.

20 The taxpayer shall be eligible for the exclusion for up to

21 twenty years; provided that the time period may be extended for

22 every year the term of the lease is extended; provided further



1 that the assignment of the original lease to another lessee  
2 shall be for the time period remaining on the original lease,  
3 unless the terms of the lease are renegotiated.

4 (b) Each taxpayer who claims the exclusion under this  
5 section shall annually provide any necessary information  
6 determined by, and in a manner prescribed by the department of  
7 agriculture to enable an aggregated quantitative and qualitative  
8 assessment of the impact of the exclusion.

9 (c) For the purposes of this section:

10 "Agribusiness" means a business licensed for the  
11 production, processing, and sale of products from the  
12 cultivation of crops, propagation of fish or game, or raising of  
13 livestock."

14 SECTION 3. Section 237-24.75, Hawaii Revised Statutes, is  
15 amended to read as follows:

16 **"§237-24.75 Additional exemptions.** In addition to the  
17 amounts exempt under section 237-24, this chapter shall not  
18 apply to:

- 19 (1) Amounts received as a beverage container deposit
- 20 collected under chapter 342G, part VIII;
- 21 (2) Amounts received by the operator of the Hawaii
- 22 convention center for reimbursement of costs or



1 advances made pursuant to a contract with the Hawaii  
2 tourism authority under section 201B-7~~[+; and]~~  
3 [+](3) Amounts received~~[+]~~ by a professional employment  
4 organization from a client company equal to amounts  
5 that are disbursed by the professional employment  
6 organization for employee wages, salaries, payroll  
7 taxes, insurance premiums, and benefits, including  
8 retirement, vacation, sick leave, health benefits, and  
9 similar employment benefits with respect to assigned  
10 employees at a client company; provided that this  
11 exemption shall not apply to a professional employment  
12 organization upon failure of the professional  
13 employment organization to collect, account for, and  
14 pay over any income tax withholding for assigned  
15 employees or any federal or state taxes for which the  
16 professional employment organization is responsible.  
17 As used in this paragraph, "professional employment  
18 organization", "client company", and "assigned  
19 employee" shall have the meanings provided in section  
20 373K-1~~[+]~~; and  
21 (4) Rental income, including lease rents as provided in  
22 section 235- in an amount not to exceed \$ ."



1 SECTION 4. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$ or so much  
3 thereof as may be necessary for fiscal year 2008-2009 for the  
4 department of agriculture to collect and analyze data to make an  
5 aggregated quantitative and qualitative assessment of the impact  
6 of the exclusion of rental income from important agricultural  
7 lands from income and general excise taxation.

8 The sum appropriated shall be expended by the department of  
9 agriculture for the purposes of this part.

10 SECTION 5. The department of agriculture shall submit to  
11 the legislature an annual report, no later than twenty days  
12 prior to the convening of each regular session, beginning with  
13 the regular session of 2010, regarding the quantitative and  
14 qualitative assessment of the impact of the exclusion of rental  
15 income from important agricultural lands from income and general  
16 excise taxation.

17 PART III

18 SECTION 6. Chapter 205, Hawaii Revised Statutes, is  
19 amended by adding a new section to part III to be appropriately  
20 designated and to read as follows:

21 "§205- Important agricultural land; residential housing.

22 A landowner qualifying under section 205-44 may develop,



1 construct, and maintain residential dwelling units for farmers,  
2 employees, and their families on important agricultural land;  
3 provided that:

4       (1) The farmers' dwelling units shall be used exclusively  
5 by farmers and their immediate family members who  
6 actively and currently farm on important agricultural  
7 land upon which the dwelling is situated; provided  
8 further that the immediate family members of a farmer  
9 may live in separate dwelling units situated on the  
10 same designated land;

11       (2) Employee dwelling units shall be used exclusively by  
12 employees and their immediate family members who  
13 actively and currently work on important agricultural  
14 land upon which the dwelling is situated; provided  
15 further that the immediate family members of the  
16 employee shall not live in separate dwelling units and  
17 shall live with the employee;

18       (3) The total land area upon which the farmer and employee  
19 dwelling units and all appurtenances are situated  
20 shall not occupy more than \_\_\_\_\_ per cent of the  
21 total important agricultural land area controlled by  
22 the farmer or the employee's employer;





- 1       (4) The farmers' and employee dwelling units meet all  
2       applicable building code requirements;
- 3       (5) Notwithstanding section 205-4.5(a)(12), the landowner  
4       shall not plan or develop a residential subdivision on  
5       the important agricultural land; and
- 6       (6) The plans for farmers' and employee dwelling units  
7       shall be supported by agricultural plans that are  
8       approved by the department of agriculture."

## PART IV

10       SECTION 7. Tax incentives are a critical component of the  
11       long-term viability of agriculture on important agricultural  
12       lands in the state. The legislature finds that it is in the  
13       public's interest to assist agricultural businesses in  
14       establishing and sustaining viable agricultural operations on  
15       important agricultural lands by providing incentives such as  
16       income tax credits.

17       The purpose of this part is to establish an important  
18       agricultural land qualified agricultural cost tax credit to  
19       establish and sustain viable agricultural operations on  
20       important agricultural lands.



1 SECTION 8. Chapter 235, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4 "§235- Important agricultural land qualified  
5 agricultural cost tax credit. (a) There shall be allowed to  
6 each taxpayer, an important agricultural land qualified  
7 agricultural cost tax credit that shall be deductible from the  
8 taxpayer's net income tax liability, if any, imposed by this  
9 chapter for the taxable year in which the credit is properly  
10 claimed. The tax credit shall apply as follows:

- 11 (1) In the year qualified agricultural costs are incurred,  
12 fifty per cent of the qualified agricultural costs up  
13 to a maximum of \_\_\_\_\_ ;
- 14 (2) In the first year following the year in which  
15 qualified agricultural costs are incurred, twenty per  
16 cent of the qualified agricultural costs up to a  
17 maximum of \_\_\_\_\_ ;
- 18 (3) In the second year following the year in which  
19 qualified agricultural costs are incurred, ten per  
20 cent of the qualified agricultural costs up to a  
21 maximum of \_\_\_\_\_ ;



1       (4) In the third year following the year in which  
2           qualified agricultural costs are incurred, ten per  
3           cent of the qualified agricultural costs up to a  
4           maximum of \_\_\_\_\_ ; and

5       (5) In the fourth year following the year in which  
6           qualified agricultural costs are incurred, ten per  
7           cent of the qualified agricultural costs up to a  
8           maximum of \_\_\_\_\_ .

9       (b) No other credit may be claimed under this chapter for  
10       qualified agricultural costs for which a credit is claimed under  
11       this section for the taxable year.

12       (c) The amount of the qualified agricultural costs  
13       eligible to be claimed under this section shall be reduced by  
14       the amount of funds received by the taxpayer during the taxable  
15       year from the irrigation repair and maintenance special fund  
16       under section 167-24.

17       (d) The cost upon which the tax credit is computed shall  
18       be determined at the entity level. In the case of a  
19       partnership, S corporation, estate, trust, or other pass through  
20       entity, distribution and share of the credit shall be determined  
21       pursuant to section 235-110.7(a).



1        If a deduction is taken under Section 179 (with respect to  
2 election to expense depreciable business assets) of the Internal  
3 Revenue Code, no tax credit shall be allowed for that portion of  
4 the qualified agricultural cost for which a deduction was taken.

5        The basis of eligible property for depreciation or  
6 accelerated cost recovery system purposes for state income taxes  
7 shall be reduced by the amount of credit allowable and claimed.  
8 No deduction shall be allowed for that portion of otherwise  
9 deductible qualified agricultural costs on which a credit is  
10 claimed under this section.

11        (e) If the credit under this section exceeds the  
12 taxpayer's net income tax liability for the taxable year, the  
13 excess of the credit over liability shall be refunded to the  
14 taxpayer; provided that no refunds or payments on account of the  
15 credits allowed by this section shall be made for amounts less  
16 than \$1.

17        All claims for a tax credit under this section, including  
18 amended claims, shall be filed on or before the end of the  
19 twelfth month following the close of the taxable year for which  
20 the credit is claimed. Failure to comply with the foregoing  
21 provision shall constitute a waiver of the right to claim the  
22 credit.



1       (f) The director of taxation:

2       (1) Shall prepare any forms that may be necessary to claim  
3       a credit under this section;

4       (2) May require the taxpayer to furnish information to  
5       ascertain the validity of the claim for credit made  
6       under this section; and

7       (3) May adopt rules pursuant to chapter 91 to effectuate  
8       this section.

9       (g) Prior to claiming the tax credit under this section,  
10      the taxpayer shall obtain a letter from the department of  
11      agriculture specifying the qualified agricultural costs in the  
12      taxable year the tax credit will be claimed. The taxpayer shall  
13      provide information required by the department of agriculture  
14      prior to the issuance of the letter.

15      (h) The department of agriculture, in consultation with  
16      the department of taxation, shall annually determine the  
17      information necessary to provide a quantitative and qualitative  
18      assessment of the outcomes of the tax credit. Every taxpayer,  
19      no later than the last day of the taxable year following the  
20      close of the taxpayer's taxable year in which qualified costs  
21      were incurred, shall submit a written statement to and certified  
22      by the department of agriculture. Failure to provide the



1 information shall result in ineligibility and a recapture of any  
2 credit already claimed for that taxable year. The amount of the  
3 recaptured tax credit shall be added to the taxpayer's tax  
4 liability for the taxable year in which the recapture occurs.

5 Notwithstanding any law to the contrary, a statement  
6 submitted under this subsection shall be a public document.

7 (i) The department of agriculture, in consultation with  
8 the department of taxation, shall annually submit a report  
9 evaluating the effectiveness of the tax credit. The report  
10 shall include but not be limited to findings and recommendations  
11 to improve the effectiveness of the tax credit to further  
12 encourage the development of agricultural businesses.

13 (j) As used in this section:

14 "Agricultural business" means any person with a commercial  
15 agricultural, silvicultural, or aquacultural facility or  
16 operation, including:

17 (1) The care and production of livestock and livestock  
18 products, poultry and poultry products, apiary  
19 products, and plant and animal production for nonfood  
20 uses;

21 (2) The planting, cultivating, harvesting, and processing  
22 of crops; and



1       (3) The farming or ranching of any plant or animal species  
2       in a controlled salt, brackish, or freshwater  
3       environment;

4       provided that the principal place of the agricultural business  
5       is maintained in the state and more than fifty per cent of the  
6       land the agricultural business owns or leases, excluding land  
7       classified as conservation land, is important agricultural land.

8       "Important agricultural lands" means lands identified and  
9       designated as important agricultural lands pursuant to part III  
10       of chapter 205.

11       "Net income tax liability" means income tax liability  
12       reduced by all other credits allowed under this chapter.

13       "Qualified agricultural costs" means expenditures for:

14       (1) The plans, design, engineering, construction,  
15       renovation, repair, maintenance, and equipment for:

16       (A) Roads or utilities, primarily for agricultural  
17       purposes, where the majority of the lands  
18       serviced by the roads or utilities, excluding  
19       lands classified as conservation lands, are  
20       important agricultural lands;

21       (B) Agricultural processing facilities in the state,  
22       primarily for agricultural purposes, where the



1 majority of the crops or livestock processed,  
2 harvested, treated, washed, handled, or packaged  
3 are from agricultural businesses;

4 (C) Water wells, reservoirs, dams, water storage  
5 facilities, water pipelines, ditches, or  
6 irrigation systems in the state, primarily for  
7 agricultural purposes, providing water for lands,  
8 the majority of which, excluding lands classified  
9 as conservation lands, are important agricultural  
10 lands; and

11 (D) Agricultural housing in the state, primarily for  
12 agricultural purposes; provided that:

13 (i) The majority of the housing units are  
14 occupied by farmers or employees for  
15 agricultural businesses and their immediate  
16 family members;

17 (ii) The housing units are owned by the  
18 agricultural business;

19 (iii) The housing units are in the general  
20 vicinity, as determined by the department of  
21 agriculture, of agricultural lands owned or  
22 leased by the agricultural business; and





1                    (iv) The housing units conform to any other  
2                    conditions that may be required by the  
3                    department of agriculture;

4            (2) Feasibility studies, regulatory processing, and legal  
5            and accounting services related to the items under  
6            paragraph (1); and

7            (3) Equipment, primarily for agricultural purposes, used  
8            to cultivate, grow, harvest, or process agricultural  
9            products by an agricultural business."

10            SECTION 9. There is appropriated out of the general  
11 revenues of the State of Hawaii the sum of \$                    or so much  
12 thereof as may be necessary for fiscal year 2008-2009 for the  
13 department of taxation to administer the important agricultural  
14 land qualified agricultural cost tax credit.

15            The sum appropriated shall be expended by the department of  
16 taxation for the purposes of this Act.

17            SECTION 10. There is appropriated out of the general  
18 revenues of the State of Hawaii the sum of \$                    or so much  
19 thereof as may be necessary for fiscal year 2008-2009 for the  
20 department of agriculture to administer the important  
21 agricultural land qualified agricultural cost tax credit and for



1 one full time equivalent planner position for the department of  
2 agriculture.

3 The sum appropriated shall be expended by the department of  
4 agriculture for the purposes of this Act.

5 PART V

6 SECTION 11. Financing is also a critical component of the  
7 long-term viability of agriculture on important agricultural  
8 lands in the state. The legislature finds that it is in the  
9 public interest to assist agricultural producers in meeting  
10 their financing needs for projects that are located on important  
11 agricultural lands.

12 The purpose of this part is to further implement Act 183,  
13 Session Laws of Hawaii 2005, by authorizing the chairperson of  
14 the board of agriculture to guarantee loans relating to  
15 agricultural projects located on important agricultural lands.

16 SECTION 12. Chapter 155, Hawaii Revised Statutes, is  
17 amended by adding a new section to be appropriately designated  
18 and to read as follows:

19 "§155- Loan guaranty; important agricultural lands;  
20 agricultural and aquacultural loans. (a) The chairperson of  
21 the board of agriculture may guarantee loans made by commercial  
22 lenders, authorized to do business in this state, to



1 agricultural producers for the purpose of developing and  
2 implementing agricultural projects; provided that the  
3 chairperson of the board of agriculture determines that:

4 (1) The agricultural projects are located on lands  
5 designated as important agricultural lands pursuant to  
6 part III of chapter 205;

7 (2) The commercial lender has completed its due diligence  
8 in approving the loan, including ensuring adequate  
9 collateral; and

10 (3) After consultation with the director of finance, the  
11 State possesses sufficient funds to provide an  
12 appropriate reserve for the loan guaranty and which,  
13 in the director of finance's judgment, are in excess  
14 of the amounts necessary for meeting the immediate  
15 requirements of the State and will not impede or  
16 hamper the fulfillment of the financial obligations of  
17 the State.

18 The chairperson of the board of agriculture may impose other  
19 conditions that the chairperson deems reasonable to implement  
20 the loan guaranty.

21 (b) In addition to the conditions that the chairperson of  
22 the board of agriculture may impose under subsection (a), any



1 loan guaranty made pursuant to this section shall meet the  
2 following conditions:

3 (1) For a loan that finances operating costs, the maximum  
4 term of the loan shall be ten years;

5 (2) For a loan that finances capital improvement costs,  
6 the maximum term of the loan shall be twenty years;

7 (3) The interest rate charged on a loan shall be one per  
8 cent below the commercial lender's prime rate for as  
9 long as the loan guaranty is in effect;

10 (4) The loan guaranty may be up to eighty-five per cent of  
11 the outstanding principal amount of the loan, but  
12 shall not include any fees or accrued interest  
13 associated with the loan or its collection; and

14 (5) The principal amount of the loan shall not exceed  
15 \$2,500,000.

16 (c) The department of agriculture may adopt rules pursuant  
17 to chapter 91 to effectuate this section.

18 (d) As used in this section:

19 "Agricultural producer" means a farmer, cooperative  
20 association, or landowner who derives at least fifty per cent of  
21 its gross income from agricultural or aquacultural activities.





1        (4) Identify current and future water needs for  
2        agricultural operations on lands identified and  
3        designated as important agricultural lands under part  
4        III of chapter 205;

5        [~~3~~] (5) Subsidize the cost of repair and maintenance of  
6        the systems;

7        [~~4~~] (6) Establish criteria to prioritize the  
8        rehabilitation of the systems;

9        [~~5~~] (7) Develop a five-year program to repair the  
10       systems; and

11       [~~6~~] (8) Set up a long-range plan to manage the systems.

12       The commission shall coordinate the incorporation of the state  
13       agricultural water use and development plan into the state water  
14       projects plan.

15       (f) Each county water use and development plan shall  
16       include but not be limited to:

17       (1) Status of water and related land development,  
18       including an inventory of existing water uses for  
19       domestic, municipal, and industrial users,  
20       agriculture, particularly agriculture on lands  
21       designated as important agricultural lands under part  
22       III of chapter 205, aquaculture, hydropower



1 development, drainage, reuse, reclamation, recharge,  
 2 and resulting problems and constraints;  
 3 (2) Future land uses and related water needs; and  
 4 (3) Regional plans for water developments, including  
 5 recommended and alternative plans, costs, adequacy of  
 6 plans, and relationship to the water resource  
 7 protection and water quality plans."

8 PART VII

9 SECTION 14. Chapter 205, Hawaii Revised Statutes, is  
 10 amended by adding a new section to part III to be appropriately  
 11 designated and to read as follows:

12 **"§205- Agricultural processing facilities; permits;**  
 13 **priority.** (a) Any agency subject to this chapter or title 13  
 14 that issues permits shall establish and implement a procedure  
 15 for the priority processing of permit applications and renewals,  
 16 at no additional cost to the applicant, for agricultural  
 17 processing facilities that process crops or livestock from an  
 18 agribusiness; provided that the majority of the lands held,  
 19 owned, or used by the agribusiness shall be land designated as  
 20 important agricultural lands pursuant to this part, excluding  
 21 lands held, owned, or used by the agribusiness in a conservation  
 22 district.



1       Any priority permit processing procedure established  
2 pursuant to this section shall not provide or imply that any  
3 permit application filed under the priority processing procedure  
4 shall be automatically approved.

5       (b) As used in this section, "agribusiness" means a  
6 business primarily engaged in the care and production of  
7 livestock, livestock products, poultry, poultry products,  
8 apiary, horticultural or floricultural products, or the  
9 planting, cultivating, and harvesting of crops or trees."

10       SECTION 15. Chapter 321, Hawaii Revised Statutes, is  
11 amended by adding a new section to be appropriately designated  
12 and to read as follows:

13       "§321-    Agricultural processing facilities; permits;  
14 priority. (a) Any agency subject to this chapter or title 19  
15 that issues permits shall establish and implement a procedure  
16 for the priority processing of permit applications and renewals,  
17 at no additional cost to the applicant, for agricultural  
18 processing facilities that process crops or livestock from an  
19 agribusiness; provided that the majority of the lands held,  
20 owned, or used by the agribusiness shall be land designated as  
21 important agricultural lands pursuant to part III of chapter





1 205, excluding lands held, owned, or used by the agribusiness in  
2 a conservation district.

3 Any priority permit processing procedure established  
4 pursuant to this section shall not provide or imply that any  
5 permit application filed under the priority processing procedure  
6 shall be automatically approved.

7 (b) As used in this section, "agribusiness" means a  
8 business primarily engaged in the care and production of  
9 livestock, livestock products, poultry, poultry products,  
10 apiary, horticultural or floricultural products, or the  
11 planting, cultivating, and harvesting of crops or trees."

12 PART VIII

13 SECTION 16. The legislature declares that this Act  
14 establishes incentives for the designation of important  
15 agricultural lands in satisfaction of section 205-46, Hawaii  
16 Revised Statutes, and section 9 of Act 183, Session Laws of  
17 Hawaii 2005.

18 PART IX

19 SECTION 17. Chapter 205, Hawaii Revised Statutes, is  
20 amended by adding a new section to part III to be appropriately  
21 designated and to read as follows:



1       "§205-     Important agricultural lands; public lands. (a)  
2 Notwithstanding any law to the contrary, before December 31,  
3 2009, the department of agriculture and the department of land  
4 and natural resources shall collaborate to identify public lands  
5 as defined under section 171-2 that should be designated  
6 important agricultural lands as defined in section 205-42 and  
7 shall cause to be prepared maps delineating those lands. In  
8 making the designations, the departments shall use the standards  
9 and criteria of section 205-44.

10       (b) The designation of important agricultural lands  
11 pursuant to this section shall not be subject to the district  
12 boundary amendment procedures of section 205-3.1 or 205-4 or  
13 declaratory order procedures of section 205-45.

14       (c) Notwithstanding any law to the contrary, beginning  
15 January 1, 2010, after receipt of the maps of public lands  
16 identified as important agricultural lands pursuant to  
17 subsection (a), the commission shall designate the public lands  
18 as important agricultural lands and adopt the maps of those  
19 public lands. Upon designation, the public lands shall be  
20 subject to this chapter."

21       SECTION 18. Section 141-1, Hawaii Revised Statutes, is  
22 amended to read as follows:



1           "**§141-1 Duties in general.** The department of agriculture  
2 shall:

3           (1) Gather, compile, and tabulate, from time to time,  
4 information and statistics concerning:

5           (A) Entomology and plant pathology: Insects, scales,  
6 blights, and diseases injurious[~~7~~] or liable to  
7 become injurious[~~7~~] to trees, plants, or other  
8 vegetation, and the ways and means of  
9 exterminating pests and diseases already in the  
10 [~~State~~] state and preventing the introduction of  
11 [~~those~~] pests and diseases not yet here; and

12           (B) General agriculture: Fruits, fibres, and useful  
13 or ornamental plants and their introduction,  
14 development, care, and manufacture or  
15 exportation, with a view to introducing,  
16 establishing, and fostering new and valuable  
17 plants and industries;

18           (2) Encourage and cooperate with the agricultural  
19 extension service and agricultural experiment station  
20 of the University of Hawaii and all private persons  
21 and organizations doing work of an experimental or  
22 educational character coming within the scope of the



1 subject matter of chapters 141, 142, and 144 to 150A,  
2 and avoid, as far as practicable, duplicating the work  
3 of those persons and organizations;

4 (3) Enter into contracts, cooperative agreements, or other  
5 transactions with any person, agency, or organization,  
6 public or private, as may be necessary in the conduct  
7 of the department's business and on such terms as the  
8 department may deem appropriate; provided that the  
9 department shall not obligate any funds of the State,  
10 except the funds that have been appropriated to the  
11 department. Pursuant to cooperative agreement with  
12 any authorized federal agency, employees of the  
13 cooperative agency may be designated to carry out, on  
14 behalf of the State the same as department personnel,  
15 specific duties and responsibilities under chapters  
16 141, 142, 150A, and rules adopted pursuant to those  
17 chapters, for the effective prosecution of pest  
18 control[~~7~~] and animal disease control[~~7~~] and the  
19 regulation of import into the [~~State~~] state and  
20 intrastate movement of regulated articles;

21 (4) Secure copies of the laws of other states,  
22 territories, and countries, and other publications



- 1           germane to the subject matters of chapters 141, 142,  
2           and 144 to 150A, and make laws and publications  
3           available for public information and consultation;
- 4           (5) Provide buildings, grounds, apparatus, and  
5           appurtenances necessary for the examination,  
6           quarantine, inspection, and fumigation provided for by  
7           chapters 141, 142, and 144 to 150A; for the obtaining,  
8           propagation, study, and distribution of beneficial  
9           insects, growths, and antidotes for the eradication of  
10          insects, blights, scales, or diseases injurious to  
11          vegetation of value and for the destruction of  
12          injurious vegetation; and for carrying out any other  
13          purposes of chapters 141, 142, and 144 to 150A;
- 14          (6) Formulate and recommend to the governor and  
15          legislature additional legislation necessary or  
16          desirable for carrying out the purposes of chapters  
17          141, 142, and 144 to 150A;
- 18          (7) Publish at the end of each year a report of the  
19          expenditures and proceedings of the department and of  
20          the results achieved by the department, together with  
21          other matters germane to chapters 141, 142, and 144 to



1 150A[~~r~~] and [~~which~~] that the department may deem  
2 proper;  
3 (8) Administer a program of agricultural planning and  
4 development, including the formulation and  
5 implementation of general and special plans, including  
6 but not limited to the functional plan for  
7 agriculture; administer the planning, development, and  
8 management of the agricultural park program; plan,  
9 construct, operate, and maintain the state irrigation  
10 water systems; review, interpret, and make  
11 recommendations with respect to public policies and  
12 actions relating to agricultural land and water use;  
13 assist in research, evaluation, development,  
14 enhancement, and expansion of local agricultural  
15 industries; and serve as liaison with other public  
16 agencies and private organizations for the above  
17 purposes. In the foregoing, the department [~~of~~  
18 ~~agriculture~~] shall act to conserve and protect  
19 agricultural lands and irrigation water systems,  
20 promote diversified agriculture, increase agricultural  
21 self-sufficiency, and ensure the availability of  
22 agriculturally suitable lands[~~r~~]; and



1       (9) Manage, administer, and exercise control over any  
2       public lands, as defined under section 171-2, that are  
3       designated important agricultural lands pursuant to  
4       section 205- , including but not limited to  
5       establishing priorities for the leasing of these  
6       public lands within the department's jurisdiction."

7       SECTION 19. Section 171-3, Hawaii Revised Statutes, is  
8       amended to read as follows:

9       "**§171-3 Department of land and natural resources.** (a)

10       The department of land and natural resources shall be headed by  
11       an executive board to be known as the board of land and natural  
12       resources. The department shall manage, administer, and  
13       exercise control over public lands, the water resources, ocean  
14       waters, navigable streams, coastal areas (excluding commercial  
15       harbor areas), and minerals and all other interests therein and  
16       exercise such powers of disposition thereof as may be authorized  
17       by law. The department shall also manage and administer the  
18       state parks, historical sites, forests, forest reserves, aquatic  
19       life, aquatic life sanctuaries, public fishing areas, boating,  
20       ocean recreation, coastal programs, wildlife, wildlife  
21       sanctuaries, game management areas, public hunting areas,  
22       natural area reserves, and other functions assigned by law.







**Report Title:**

Agriculture; Important Agricultural Lands

**Description:**

Provides incentives and protections to establish and sustain viable agricultural operations on important agricultural lands, and provides for the designation of important agricultural lands on public lands. (SB2646 HD1)

