
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 **GENERAL PURPOSE**

3 SECTION 1. In 1978, voters approved article XI, section 3,
4 of the Constitution of the State of Hawaii, which sets out the
5 framework for state policies to promote agriculture and the
6 conservation of productive agricultural lands in the State.
7 Article XI, section 3, reads as follows:

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

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



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

5 To address the issue of important agricultural lands, Act
6 183, Session Laws of Hawaii 2005 (Act 183), was enacted. Act
7 183 establishes standards, criteria, and mechanisms to identify
8 important agricultural lands and implement the intent and
9 purpose of article XI, section 3, of the Hawaii State
10 Constitution.

11 Act 183 also recognized that while the supply of lands
12 suitable for agriculture is critical, the long-term viability of
13 agriculture also depends on other factors. These factors
14 include:

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



1 The purpose of this Act is to provide incentives and
2 protections to establish and sustain viable agricultural
3 operations on important agricultural lands.

4 **PART II**

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

8 "§235- Rental income from agricultural leases on
9 important agricultural lands excluded from gross income. (a)
10 In addition to the exclusions in section 235-7, there shall be
11 excluded from gross income, adjusted gross income, and taxable
12 income, rental income, including lease rents, in an amount not
13 to exceed \$ in any taxable year and received by a
14 taxpayer subject to the taxes imposed by this chapter that are
15 derived from agricultural leases on lands identified and
16 designated as important agricultural lands pursuant to part III,
17 chapter 205, for the taxable year the rental income was
18 realized; provided that:

- 19 (1) The minimum length of the initial lease term shall be:
20 (A) Twenty years; or
21 (B) Any other lease term length mutually agreeable to
22 lessor and lessee, if the amount of the lease



1 rent is set by an independent appraisal using the
2 lower of the comparable value or agricultural
3 capitalization appraisal methodologies and the
4 lease arrangement, including the amount of lease
5 rent determined by an appraisal, is reviewed and
6 approved by the department of agriculture; and

7 (2) The lease is in effect and the lessee is continuously
8 and substantially undertaking agribusiness on the
9 leased land, pursuant to chapter 205, as verified by
10 the department of agriculture on a regular basis using
11 a process determined by the department of agriculture;
12 provided that the exclusion shall not apply if the
13 lease is terminated or the department of agriculture
14 determines that the leased land is not continuously
15 and substantially being used for agribusiness.

16 The taxpayer shall be eligible for the exclusion initially for
17 up to twenty years or for the agreed term, whichever the case
18 may be, so long as the initial exclusion is not longer than the
19 original required minimum lease term provided in subsection
20 (a) (1); provided that the time period may be extended for every
21 year the term of the lease is extended; provided further that
22 the assignment of the original lease to another lessee shall be



1 for the time period remaining on the original lease, unless the
2 terms of the lease are renegotiated.

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

10 (c) For the purposes of this section:

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

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

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

20 (1) Amounts received as a beverage container deposit
21 collected under chapter 342G, part VIII;



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



1 (4) Rental income, including lease rents, in an amount not
2 to exceed \$ in any taxable year and derived
3 from agricultural leases on lands identified and
4 designated as important agricultural lands pursuant to
5 part III, chapter 205, for the taxable year the rental
6 income was realized; provided that:

7 (A) The minimum length of the initial lease term
8 shall be:

9 (i) Twenty years; or

10 (ii) Any other lease term length mutually
11 agreeable to lessor and lessee, if the
12 amount of the lease rent is set by an
13 independent appraisal using the lower of the
14 comparable value or agricultural
15 capitalization appraisal methodologies;

16 (B) The lease is in effect and the lessee is
17 continuously and substantially undertaking
18 agricultural activity on the leased land,
19 pursuant to chapter 205, as verified by the
20 department of agriculture on a regular basis
21 using a process determined by the department of
22 agriculture; provided that the exemption shall



1 not apply if the lease is terminated or the
2 department of agriculture determines that the
3 leased land is not continuously and substantially
4 being used for agricultural activity; and

5 (C) The taxpayer shall be eligible for the exemption
6 initially for up to twenty years and for every
7 year the term of the lease is extended; provided
8 further that the assignment of the original lease
9 to another lessee shall be for the time period
10 remaining on the original lease, unless the terms
11 of the lease are renegotiated."

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

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

21 SECTION 5. The department of agriculture shall submit to
22 the legislature an annual report, no later than twenty days



1 prior to the convening of each regular session, beginning with
2 the regular session of 2010, regarding the quantitative and
3 qualitative assessment of the impact of the exclusion of rental
4 income from important agricultural lands from income and general
5 excise taxation.

6 **PART III**

7 SECTION 6. Chapter 235, Hawaii Revised Statutes, is
8 amended by adding a new section to be appropriately designated
9 and to read as follows:

10 "§235- Important agricultural lands real property tax
11 credit. (a) There shall be allowed to each taxpayer, subject
12 to the taxes imposed by this chapter, an important agricultural
13 lands real property tax credit that shall be deductible from the
14 taxpayer's net income tax liability, if any, imposed by this
15 chapter for the taxable year in which the credit is properly
16 claimed.

17 (b) The amount of the credit shall be equal to per
18 cent of the actual amount of county real property taxes paid by
19 the taxpayer during the taxable year in which real property tax
20 was assessed on lands identified and designated as important
21 agricultural lands pursuant to part III, chapter 205.



1 In the case of a partnership, S corporation, estate, or
2 trust, the amount upon which the credit is computed shall be
3 determined at the entity level.

4 (c) The tax credit shall be allowed only for the entity
5 incurring the actual cost of the real property tax. If the real
6 property tax is part of the lease rent and not otherwise
7 specified in the lease agreement, the lessor shall provide the
8 lessee with the amount equal to the real property tax included
9 as part of the lease rent and paid by the lessee upon the
10 lessee's request.

11 (d) If the classification of the important agricultural
12 lands subject to the credit is redesignated at any time, the
13 credit shall no longer be available. Any credit previously
14 claimed by the taxpayer shall be recaptured in total. The
15 amount of the recaptured tax credit shall be equal to one
16 hundred per cent of the aggregate credits previously claimed and
17 added to the taxpayer's tax liability for the taxable year in
18 which the recapture occurs. There shall be no credit allowed in
19 the taxable year the important agricultural lands are
20 redesignated.

21 (e) If the credit under this section exceeds the
22 taxpayer's tax liabilities owed for the taxable year, the excess



1 of the credits over tax liabilities owed shall be refunded to
2 the taxpayer; provided that the credit properly claimed by the
3 taxpayer who has no income tax liability shall be paid to the
4 taxpayer; and provided further that no refunds or payments on
5 account of the credits allowed by this section shall be made for
6 amounts less than \$1.

7 All claims for a credit under this section shall be filed
8 on or before the end of the twelfth month following the close of
9 the taxable year for which the credit may be claimed. Failure
10 to comply with the foregoing provision shall constitute a waiver
11 of the right to claim the credit.

12 (f) The director of taxation shall prepare forms that may
13 be necessary to claim a credit under this section. The director
14 may also require the taxpayer to furnish information to
15 ascertain the validity of the claim for credit made under this
16 section by rule pursuant to chapter 91.

17 (g) The tax credit allowed under this section shall be
18 available for taxable years beginning after December 31, 2008,
19 and shall not be available for taxable years beginning after
20 December 31, 2018.

21 (h) Taxpayers claiming the credit under this section shall
22 provide prescribed information to the department of agriculture



1 on an annual basis, upon request, that will enable a
2 quantitative and qualitative assessment of the impact of the tax
3 credit to be determined. The assessment shall be available to
4 the public.

5 The department of agriculture shall determine on an annual
6 basis if the important agricultural land subject to the credit
7 is in productive agricultural use based on a ten year farm plan
8 submitted to and approved by the department."

9 SECTION 7. There is appropriated out of the general
10 revenues of the State of Hawaii the sum of \$ or so
11 much thereof as may be necessary for fiscal year 2008-2009 for
12 the department of agriculture to collect and analyze data to
13 make an aggregated quantitative and qualitative assessment of
14 the full impact of the important agricultural lands tax credit.

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

17 **PART IV**

18 SECTION 8. 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 of lands qualifying under section 205-44 may



1 develop, construct, and maintain residential dwelling units for
2 farmers, employees, and their families; provided that:

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

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

18 (3) The total land area upon which the combined total of
19 farmer and employee dwelling units and all
20 appurtenances are situated shall not occupy more than
21 twenty per cent of the total important agricultural



1 SECTION 10. 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 lands agricultural
5 business tax credit. (a) There shall be allowed to each
6 taxpayer an important agricultural lands agricultural business
7 tax credit, which shall be deductible from the taxpayer's net
8 income tax liability, if any, imposed by this chapter for the
9 taxable year in which the credit is properly claimed. The tax
10 credit shall be as follows:

11 (1) In the year the qualified agricultural costs are made,
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 the
15 qualified agricultural costs are made, twenty per cent
16 of the qualified agricultural costs up to a maximum
17 of _____ ;

18 (3) In the second year following the year in which the
19 qualified agricultural costs are made, ten per cent of
20 the qualified agricultural costs up to a maximum
21 of _____ ;



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

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

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

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

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

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



1 provision shall constitute a waiver of the right to claim the
2 credit.

3 (f) The director of taxation shall prepare any forms that
4 may be necessary to claim a credit under this section. The
5 director may also require the taxpayer to furnish information to
6 ascertain the validity of the claim for credit made under this
7 section and may adopt rules necessary to effectuate the purposes
8 of this section pursuant to chapter 91.

9 (g) Prior to claiming the tax credit under this section,
10 the taxpayer may request 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 to the department of agriculture information required by
14 the department of agriculture prior to the issuance of the
15 letter.

16 (h) The department of agriculture, in consultation with
17 the department of taxation, shall determine the types of
18 information that are necessary on an annual basis to enable a
19 quantitative and qualitative assessment of the outcomes of the
20 tax credit to be determined. Every taxpayer, no later than the
21 last day of the taxable year following the close of the
22 taxpayer's taxable year in which qualified costs were incurred,



1 shall submit a written statement to and be certified by the
2 department of agriculture.

3 Any taxpayer failing to submit information to the
4 department of agriculture in the manner prescribed by the
5 department of agriculture prior to the last day of the taxable
6 year following the close of the taxpayer's taxable year in which
7 qualified costs were incurred shall not be eligible to receive
8 the tax credit, and any credit already claimed for that taxable
9 year shall be recaptured in total. The amount of the recaptured
10 tax credit shall be added to the taxpayer's tax liability for
11 the taxable year in which the recapture occurs.

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

14 (i) On an annual basis, the department of agriculture, in
15 consultation with the department of taxation, shall submit a
16 report evaluating the effectiveness of the tax credit. The
17 report shall include but not be limited to findings and
18 recommendations to improve the effectiveness of the tax credit
19 to further encourage the development of agricultural businesses.

20 (j) As used in this section:



1 "Agricultural business" means any person with a commercial
2 agricultural, silvicultural, or aquacultural facility or
3 operation, including:

4 (1) The care and production of livestock and livestock
5 products, poultry and poultry products, apiary
6 products, and plant and animal production for nonfood
7 uses;

8 (2) The planting, cultivating, harvesting, and processing
9 of crops; and

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

13 provided that it maintains its principal place of business in
14 the State and more than fifty per cent of the land the
15 agricultural business owns or leases, excluding land classified
16 as conservation land, is important agricultural land.

17 "Important agricultural lands" means lands identified and
18 designated as important agricultural lands pursuant to chapter
19 205, part III.

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

22 "Qualified agricultural costs" means expenditures for:



- 1 (1) The plans, design, engineering, construction,
2 renovation, repair, maintenance, and equipment for:
- 3 (A) Roads or utilities, primarily for agricultural
4 purposes, for which the majority of the lands
5 serviced by the roads or utilities, excluding
6 lands classified as conservation lands, are
7 important agricultural lands;
- 8 (B) Agricultural processing facilities in the State,
9 primarily for agricultural purposes, that
10 process, harvest, treat, wash, handle, or package
11 a majority of crops or livestock from
12 agricultural businesses;
- 13 (C) Water wells, reservoirs, dams, water storage
14 facilities, water pipelines, ditches, or
15 irrigation systems in the State, primarily for
16 agricultural purposes, for which the majority of
17 the lands serviced by its water, excluding lands
18 classified as conservation lands, are important
19 agricultural lands; and
- 20 (D) Agricultural housing in the State, primarily for
21 agricultural purposes, provided that:



- 1 (i) The majority of the housing units are
- 2 occupied by laborers for agricultural
- 3 businesses and their immediate family
- 4 members;
- 5 (ii) The housing units are owned by the
- 6 agricultural business;
- 7 (iii) The housing units are in the general
- 8 vicinity, as determined by the department of
- 9 agriculture, of agricultural lands owned or
- 10 leased by the agricultural business; and
- 11 (iv) The housing units conform to any other
- 12 conditions that may be required by the
- 13 department of agriculture;
- 14 (2) Feasibility studies, regulatory processing, and legal
- 15 and accounting services related to the items under
- 16 paragraph (1); and
- 17 (3) Equipment, primarily for agricultural purposes, used
- 18 to cultivate, grow, harvest, or process agricultural
- 19 products by an agricultural business."

20 SECTION 11. There is appropriated out of the general

21 revenues of the State of Hawaii the sum of \$ or so

22 much thereof as may be necessary for fiscal year 2008-2009 to



1 the department of taxation for the costs to administer the
2 important agricultural land agricultural business tax credit.

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

5 SECTION 12. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$ or so
7 much thereof as may be necessary for fiscal year 2008-2009 to
8 the department of agriculture for the costs to administer the
9 important agricultural land agricultural business tax credit and
10 for one full-time employee planner position for the department
11 of agriculture.

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

14 **PART VI**

15 SECTION 13. Financing is also a critical component of the
16 long-term viability of agriculture on important agricultural
17 lands in the State. The legislature finds that it is in the
18 public interest to assist agricultural producers in meeting
19 their financing needs for projects that are located in important
20 agricultural lands.

21 The purpose of this part is to further the implementation
22 of Act 183 by authorizing the chairperson of the board of



1 agriculture to guarantee loans relating to agricultural projects
2 located on important agricultural lands.

3 SECTION 14. Chapter 155, Hawaii Revised Statutes, is
4 amended by adding a new section to be appropriately designated
5 and to read as follows:

6 "§155- Loan guaranty; important agricultural lands;
7 agricultural and aquacultural loans. (a) The chairperson of
8 the board of agriculture may guarantee loans made by commercial
9 lenders, authorized to do business in this State, to
10 agricultural producers for the purpose of developing and
11 implementing agricultural projects; provided that the
12 chairperson of the board of agriculture determines that:

13 (1) The agricultural projects are located on lands
14 designated as important agricultural lands pursuant to
15 part III of chapter 205;

16 (2) The commercial lender has completed its due diligence
17 in approving the loan, including ensuring adequate
18 collateral; and

19 (3) After consultation with the director of finance, the
20 State possesses sufficient funds to provide an
21 appropriate reserve for the loan guaranty and which,
22 in the director of finance's judgment, are in excess



1 of the amounts necessary to meet the immediate
2 requirements of the State and will not impede or
3 hamper the fulfillment of the financial obligations of
4 the State.

5 The chairperson of the board of agriculture may impose other
6 conditions that the chairperson deems reasonable to implement
7 the loan guaranty.

8 (b) In addition to the conditions that the chairperson of
9 the board of agriculture may impose under subsection (a), any
10 loan guaranty made pursuant to this section shall meet the
11 following conditions:

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

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

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

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



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

3 (c) Pursuant to chapter 91 and in consultation with the
4 director of finance, the chairperson of the board of agriculture
5 shall adopt rules to effectuate the purposes of this section.

6 (d) As used in this section:

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

10 "Agricultural project" means a project relating to
11 agricultural or aquacultural operations or capital
12 improvements."

13 **PART VII**

14 SECTION 15. Chapter 205, Hawaii Revised Statutes, is
15 amended by adding a new section to part III to be appropriately
16 designated and to read as follows:

17 **"§205- Agricultural processing facilities; permits;**
18 **priority.** (a) Any applicable agency subject to this chapter or
19 title 13 that issues permits shall establish and implement a
20 procedure for the priority processing of permit applications and
21 renewals, at no additional cost to the applicant, for
22 agricultural processing facilities that process crops or



1 livestock from an agribusiness with a majority of the lands
2 held, owned, or used by the agribusiness, identified and
3 designated as important agricultural lands pursuant to this
4 part, excluding lands held, owned, or used by the agribusiness
5 in the conservation district. Any priority permit processing
6 procedure established pursuant to this section shall not imply
7 or provide that any permit application filed under the priority
8 processing procedure shall be automatically approved.

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

14 SECTION 16. Chapter 321, Hawaii Revised Statutes, is
15 amended by adding a new section to be appropriately designated
16 and to read as follows:

17 **"§321- Agricultural processing facilities; permits;**
18 **priority.** (a) Any applicable agency subject to this chapter or
19 title 19 that issues permits shall establish and implement a
20 procedure for the priority processing of permit applications and
21 renewals, at no additional cost to the applicant, for
22 agricultural processing facilities that process crops or



1 livestock from an agribusiness with a majority of the lands
2 held, owned, or used by the agribusiness, identified and
3 designated as important agricultural lands pursuant to this
4 part, excluding lands held, owned, or used by the agribusiness
5 in the conservation district. Any priority permit processing
6 procedure established pursuant to this section shall not imply
7 or provide that any permit application filed under the priority
8 processing procedure shall be automatically approved.

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

14 **PART VIII**

15 SECTION 17. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 18. This Act shall take effect on July 1, 2050;
18 provided that sections 2, 3, 6, and 10 of this Act shall apply
19 to taxable years beginning after December 31, 2050; and provided
20 further that this Act shall be repealed on June 30, 2060, and
21 section 237-24.75, Hawaii Revised Statutes, shall be reenacted



- 1 in the form in which it read on the day before the effective
- 2 date of this Act.



Report Title:

Important Agricultural Lands; Tax Incentives

Description:

Provides tax incentives and establishes rules that protect and sustain viable agricultural operations on important agricultural lands. (SD2)

