

Honolulu, Hawaii

FEB 29 2008

RE: S.B. No. 2198
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2198, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LAND CONSERVATION,"

begs leave to report as follows:

The purpose of this measure is to establish a land conservation incentives tax credit.

Specifically, this measure:

- (1) Establishes a land conservation incentives tax credit equal to fifty per cent of the fair market value or the amount voluntarily invested in the management of land that is donated to the State for a conservation or preservation purpose; and
- (2) Authorizes the holder of an interest in agricultural lands that qualify for the tax credit to petition to have the agricultural lands designated as important agricultural lands and qualify for important agricultural lands incentives under section 205-46, Hawaii Revised Statutes.

The Trust for Public Land, Nature Conservatory, Maui Land and Pineapple Company, Historic Hawaii Foundation, McCandless Ranch, Kauai Public Land Trust, and one individual submitted testimony in support of this measure. The Department of Taxation, Department



of Agriculture, Department of Land and Natural Resources, and Tax Foundation of Hawaii submitted comments.

Undeveloped private lands can provide significant benefits to the general public as watersheds, erosion control, carbon sequestration, green space, recreational space, and cultural preservation. However, there is often no incentive or remuneration to the landowner for the benefit that the undeveloped private lands provide to the public. Your Committee finds that this measure will encourage private landowners to preserve and protect conservation lands.

Upon further consideration, your Committee has amended this measure by:

- (1) Moving from the tax credit eligibility requirements to the definition of "conservation or preservation purpose" the proviso that the taxpayer provide reasonable public access to require that the state agency that designated certain areas to be protected or preserved shall work with the taxpayer to identify opportunities to provide public access if appropriate and reasonable;
- (2) Changing the Act's effective date to July 1, 2050; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2198, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2198, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,




ROSALYN H. BAKER, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB2198, SD1	Committee Referral: WTL, EDT, WAM	Date: 2/25/08		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <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	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
HOOSER, Gary L.	/			
INOUE, Lorraine R.				/
KIM, Donna Mercado	/			
MENOR, Ron	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred	/			
WHALEN, Paul	/			
TOTAL	11	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes