

STAND. COM. REP. NO. 2023

Honolulu, Hawaii

FEB 04 2008

RE: S.B. No. 2198

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

Madam:

Your Committee on Water and Land, to which was referred
S.B. No. 2198 entitled:

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

begs leave to report as follows:

The purpose of this measure is to encourage the preservation and protection of conservation land in the State. Specifically, this measure creates a land conservation incentive tax credit to encourage the preservation and protection of conservation land in the State.

Testimony in support of the measure was submitted by The Nature Conservancy and The Trust for Public Land.

Testimony in support, but with comments, was submitted by the Department of Land and Natural Resources, the Department of Taxation, and the Department of Agriculture.

The Department of Land and Natural Resources commented that in determining what is a conservation or preservation purpose, consideration should be given to the following:

- (1) The likelihood that development would alienate public rights protected in chapter 205, Hawaii Revised Statutes, including public access to and along the beach;
- (2) The likelihood that development of the property would be a detriment to:



- (A) The pursuit of recreational opportunities; or
- (B) The enjoyment of scenic vistas; and
- (3) The likelihood that development of the property would endanger protected wildlife, including native plant species and aquatic animals.

The Department of Agriculture commented in support of the intent of the measure but requested that the following language be added to the measure on page 2, after line 3:

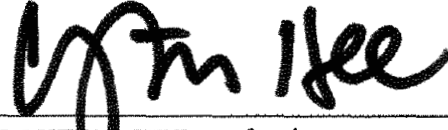
The holder of the interest in agricultural lands protected or preserved pursuant to this section may petition the state land use commission for designation of the affected agricultural lands as important agricultural land, pursuant to section 205-45 and have access to incentives developed and enacted pursuant to Part III of chapter 205 that do not adversely affect the provisions of this section.

Your Committee notes that the Department of Taxation expressed concerns with the form of the measure as written. In particular, the Department of Taxation had concerns about using fair market value as the standard by which a tax credit would be calculated. Instead, the Department of Taxation recommends using the county's assessed land value as the standard for determining the amount of a tax credit. Your Committee recognizes the validity of this concern, and upon review, finds that these concerns, related specifically to tax issues, would be more appropriately addressed by the Committee on Economic Development and Taxation.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2198 and recommends that it pass Second Reading and be referred to the Committee on Economic Development and Taxation.



Respectfully submitted on
behalf of the members of the
Committee on Water and Land,




CLAYTON HEE, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:* SB 2198	Committee Referral: WTL, EDT, WAM	Date: 1/28/08		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	/			
KOKUBUN, Russell S. (VC)	/			
FUKUNAGA, Carol	/			
TOKUDA, Jill N.	/			
WHALEN, Paul				/
TOTAL	4			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