

STAND. COM. REP. NO.

2449

Honolulu, Hawaii

FEB 15 2008

RE: S.B. No. 2646
S.D. 1

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

Madam:

Your Committees on Agriculture and Hawaiian Affairs and Water and Land, to which was referred S.B. No. 2646 entitled:

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

beg leave to report as follows:

The purpose of this measure is to provide incentives and protections to establish and sustain viable agricultural operations on important agricultural lands.

Testimony in support of this measure was submitted by the Building Industry Association, Hawaii Farm Bureau Federation, Maui Land & Pineapple Company, Inc., Hawaii Crop Improvement Association, The Chamber of Commerce of Hawaii, Kauai Kunana Dairy, Alexander & Baldwin, Inc., Maui County Farm Bureau, and Land Use Research Foundation of Hawaii. Testimony in support of the intent of this measure was submitted by the Department of Agriculture, Castle & Cooke Hawaii, and Food Company Hawaii. The Department of Taxation submitted testimony expressing concern with this measure. The Tax Foundation of Hawaii submitted comments regarding this measure. Testimony in opposition to this measure was submitted by the Department of Budget and Finance, Earthjustice, Department of Land and Natural Resources Commission on Water Resource Management, County Council of Maui, Sierra Club Hawaii Chapter, Hawaii's Thousand Friends, Life of the Land, and eleven individuals.

Your Committee finds that it is the long recognized policy of the State to promote agriculture and the conservation of

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productive agricultural lands in the State. These policies are especially true with regard to important agricultural lands.

Your Committee has amended this measure by:

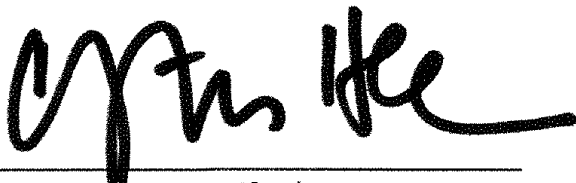
- (1) Removing Part VII in response to the strong opposition offered at the public hearing of this measure; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee requests that the Land Use Research Foundation of Hawaii, Hawaii Farm Bureau Federation, and the Department of Agriculture meet to discuss issues relating to water which were addressed in the Part VII of the measure which is being removed.

Your Committee further notes that this measure mirrors SB662, SD2, HD2; HB1639, HD2, SD3; and HB902, HD2, SD3 all of which proceeded to conference committee during the 2007 regular session of the Legislature. Your Committee recommends that any committee considering this measure in the future consider installing caps on the loan amounts and tax credits provided for in this measure.

As affirmed by the records of votes of the members of your Committees on Agriculture and Hawaiian Affairs and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2646, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2646, S.D. 1, and be referred to the Committees on Economic Development and Taxation and Ways and Means.

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



CLAYTON HEE, Chair



JILL TOKUDA, Chair



