

LINDA LINGLE  
GOVERNOR



LINDA L. SMITH  
SENIOR POLICY ADVISOR

**STATE OF HAWAII  
GOVERNOR'S POLICY OFFICE  
EXECUTIVE CHAMBERS  
HONOLULU, HAWAII 96813  
(808) 586-5330**

Testimony of Linda L. Smith  
Senior Policy Advisor to the Governor

Before the

**JOINT HOUSE COMMITTEES ON AGRICULTURE AND ECONOMIC DEVELOPMENT &  
BUSINESS CONCERNS**

on

**HOUSE BILL No. 3120**

Tuesday, January 29, 2008  
8:30 A.M.

Chair Tsuji, Chair Yamashita, Vice Chair Brower, Vice Chair Wakai, and members of the committees, thank you for the opportunity to provide testimony in strong support of House Bill 3120.

This Administration measure allows the Board of Agriculture to negotiate the lease rent for the use of the Animal Quarantine Station located in Halawa Valley on Oahu and eliminates the statutory requirement that the facility be leased at fair market value.

Currently, the Board of Agriculture may allow the use of animal quarantine facilities by third parties. However, there is a statutory requirement that the property or facilities be leased or rented at fair market value. This requirement has made it difficult, if not impossible, for nonprofit organizations to seriously consider leasing the facilities. Fair market value appraisals have ranged from \$330,000 to \$600,000 per year.

There are many nonprofit organizations that can provide animal shelter and other animal related services. Hawaii lacks sufficient companion animal shelters, particularly for use during emergencies and natural disasters. The animal quarantine facility in Halawa is ideal for an animal shelter because of its central Oahu location. Removing the fair market value requirement will encourage nonprofit organizations to lease the Halawa facility and return it to a productive state while retaining the original animal-related purpose of the site.

Thank you for the opportunity to testify and your consideration of this measure.

LINDA LINGLE  
Governor



SANDRA LEE KUNIMOTO  
Chairperson, Board of Agriculture

DUANE K. OKAMOTO  
Deputy to the Chairperson

State of Hawaii  
DEPARTMENT OF AGRICULTURE  
1428 South King Street  
Honolulu, Hawaii 96814-2512  
Phone: (808) 973-9600 Fax: (808) 973-9613

TESTIMONY OF SANDRA LEE KUNIMOTO  
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEES ON  
ECONOMIC DEVELOPMENT AND BUSINESS CONCERNS,  
AND AGRICULTURE  
JANUARY 29, 2008  
8:30 A.M.

HOUSE BILL NO. 3120  
RELATING TO ANIMAL QUARANTINE FACILITIES

Chairperson Yamashita, Chairperson Tsuji and Members of the Committees:

Thank you for the opportunity to testify on House Bill No. 3120 which amends chapter 142-3.5, HRS, to remove the provision requiring the Department of Agriculture to receive fair market rent for the lease of unused property at the Animal Quarantine facility. The Department supports House Bill No. 3120.

Currently, chapter 142-3.5, HRS, adopted by the 2005 Legislature, authorizes the Board of Agriculture to contract with third parties for the use and rental of animal quarantine station property or facilities under the following conditions: the property or facilities are not required for quarantine program use; the property be leased or rented at fair market value; and the property be used only by the third party. In addition to requirements of chapter 142-3.5, the methods of lease or rent of public lands are provided in chapter 171, HRS.

Executive Order No. 4096, dated January 10, 2005, sets aside land situated in Halawa Valley, Oahu, to be under the management and control of the Department of

Agriculture for the following public purposes: animal quarantine; animal welfare; and agriculture related purposes. The parcel under consideration for rent is approximately 5.5 acres within the animal quarantine station zoned as I-2 with an estimated fair market rent for the leasehold interest of \$310,050 per year (as of December 2005).

The Department believes removing the fair market value requirement may allow a broader spectrum of agricultural businesses or qualified organizations that are compatible with Animal Quarantine to participate in a competitive bid process for the land. An open and competitive bid process is expected to ensure the land is used appropriately and generates reasonable revenue to help offset program expenditures, ultimately resulting in reduced fees to users of the program.