

Arlina Agbayani

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, January 28, 2010 5:46 PM
To: AGRtestimony
Cc: kimberly.y.chang@hawaii.gov
Subject: Testimony for HB2393 on 1/29/2010 9:00:00 AM
Attachments: HB2393_BUF_01-29-10_AGR.pdf

Testimony for AGR 1/29/2010 9:00:00 AM HB2393

Conference room: 312
Testifier position: oppose
Testifier will be present: No
Submitted by: Kimberly Chang
Organization: State Dept. of Budget & Finance
Address: 250 S. Hotel St. Hon, HI
Phone: 586-1552
E-mail: kimberly.y.chang@hawaii.gov
Submitted on: 1/28/2010

Comments:

LATE
Testimony

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TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON AGRICULTURE
ON
HOUSE BILL NO. 2393

LATE
Testimony

January 29, 2010

RELATING TO AGRICULTURE

House Bill No. 2393: 1) establishes the Agricultural Products Processing Program; 2) provides tax credits for eligible agricultural businesses; 3) establishes the Agricultural Product Processing Program special fund; and 4) sets fees to be collected for operating the program. This bill does not include an appropriation. As such, no expenditures can be made from the Agricultural Product Processing special fund.

We oppose this bill. As a matter of general policy, this department does not support any special fund which does not meet the requirements of Section 37-52.3 of the Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. It is difficult to determine whether the Agricultural Product Processing special fund would be self-sustaining.

In addition, this measure does not appropriate the staff and funding necessary to implement the Agricultural Products Processing Program and further expands government services at a time when existing programs must evaluate their current operations for core needs.

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Testimony

-2-

Lastly, House Bill No. 2393 provides additional tax credits to existing agricultural businesses that are not included in the Administration's financial plan. As such, this measure will cause lost tax revenues in the future.