

STAND. COM. REP. NO. 1133

Honolulu, Hawaii

March 24, 2011

RE: S.B. No. 1393  
S.D. 2  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committees on Agriculture and Water, Land, & Ocean Resources, to which was referred S.B. No. 1393, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

beg leave to report as follows:

The purpose of this bill is to promote aquaculture and infrastructure development by:

- (1) Stipulating that aquacultural enterprises shall have priority of access over leisure crafts and houseboats at all harbors and waterfront improvements belonging to or controlled by the State, except at commercial harbors;
- (2) Stipulating that dams and related reservoir areas designated as important agricultural lands (IALs) shall be eligible for inclusion in the total acreage calculation for IALs and shall qualify for IAL incentives;
- (3) Establishing an income tax credit amounting to a percentage of all costs incurred by a taxpayer as a result of dam or reservoir remediation measures taken as directed by the Department of Land and Natural Resources (DLNR); and



- (4) Establishing an income tax credit amounting to a percentage of the cost of capital investments in aquacultural facilities.

Hawaii Farm Bureau Federation; Grove Farm Company, Inc.; Alexander & Baldwin, Inc.; Hawaiian Commercial & Sugar Company; and Kauai Coffee Company supported this bill. DLNR and the Department of Taxation opposed this bill. The Department of Agriculture, Office of Planning, and Tax Foundation of Hawaii submitted comments.

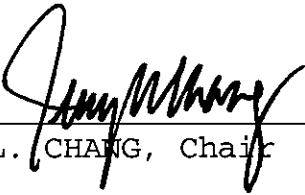
Upon further consideration, your Committees have amended this measure by:

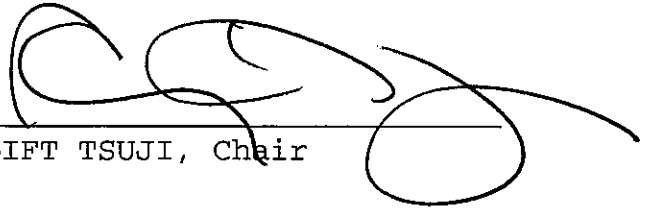
- (1) Deleting the provisions stipulating that aquacultural enterprises shall have priority of access over leisure crafts and houseboats at all harbors and waterfront improvements belonging to or controlled by the State, except at commercial harbors;
- (2) Limiting the inclusion of dams and related reservoir areas designated as IALs in the total acreage calculation for IALs and for IAL incentives to dams and reservoirs that are located within property designated as IALs and provide irrigation water to agricultural lands the majority of which are IALs;
- (3) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1393, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1393, S.D. 2, H.D. 1, and be referred to the Committee on Finance.



Respectfully submitted on  
behalf of the members of the  
Committees on Agriculture and  
Water, Land, & Ocean Resources,

  
\_\_\_\_\_  
JERRY L. CHANG, Chair

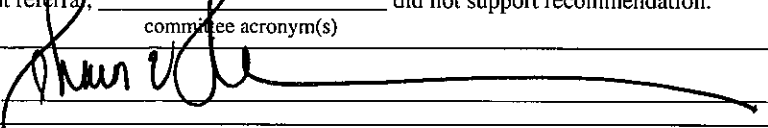
  
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CLIFT TSUJI, Chair





State of Hawaii  
House of Representatives  
The Twenty-sixth Legislature

Record of Votes of the Committee on Water, Land, & Ocean Resources

Bill/Resolution No.: SB 1393, SD2	Committee Referral: AGR/WLO, FIN	Date: 3/21/11		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
WLO Members	Ayes	Ayes (WR)	Nays	Excused
1. CHANG, Jerry L. (C)	✓			
2. HAR, Sharon E. (VC)	✓			
3. CABANILLA, Rida T.R.				✓
4. CARROLL, Mele				✓
5. CHONG, Pono				✓
6. COFFMAN, Denny				✓
7. HERKES, Robert N.	✓			
8. ITO, Ken	✓			
9. <del>MORITA, Hermina M.</del>				
10. NAKASHIMA, Mark M.	✓			
11. RIVIERE, Gil	✓			
12. THIELEN, Cynthia	✓			
TOTAL (12) (11)	7	0	0	4
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				