

STAND. COM. REP. NO.

1134

Honolulu, Hawaii

March 24, 2011

RE: S.B. No. 1559  
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. 1559, S.D. 2, entitled:

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

beg leave to report as follows:

The purpose of this bill is to provide incentives for designating land as important agricultural lands (IALs) by:

- (1) Requiring each county agency that issues building or related permits to establish a procedure for priority processing of a permit application submitted by a private entity for a construction project that uses products grown on IALs;
- (2) Requiring county general plans to include certain provisions relating to the designation of IALs;
- (3) Requiring the Public Utilities Commission to establish preferential rates for the purchase of energy that is used or consumed for agricultural activities on IALs; and
- (4) Allowing insurers to provide preferential insurance rates to owners or lessees of IALs.

SB1559 HD1 HSCR AGR-WLO HMS 2011-3227



Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, Kauai Coffee Company, Hawaii Farm Bureau Federation, Land Use Research Foundation of Hawaii, and a concerned individual supported this bill. The Department of Land and Natural Resources supported the intent of this measure. The Department of Planning and Permitting of the City and County of Honolulu and Hawaii Insurers Council opposed this bill. The Department of Agriculture submitted comments.

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

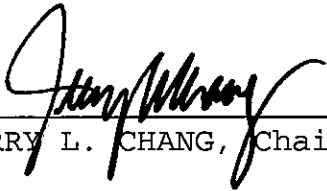
- (1) Deleting the provisions:
  - (A) Requiring each county agency that issues building or related permits to establish a procedure for priority processing of a permit application submitted by a private entity for a construction project that uses products grown on IALs;
  - (B) Requiring county general plans to include certain provisions relating to the designation of IALs; and
  - (C) Allowing insurers to provide preferential insurance rates to owners or lessees of IALs;
- (2) Amending the existing law requiring priority processing of permit applications and renewals for agricultural processing facilities that process crops or livestock from agribusinesses that meet certain IAL-related requirements by:
  - (A) Amending the definition of "agribusiness" to include businesses primarily engaged in the processing of agricultural products; and
  - (B) Applying the priority processing of permit applications and renewals to cases where all of the crops or livestock processed at the agricultural processing facility is produced on land designated as IALs; provided that this requirement shall apply for at least 20 years following the issuance of a certificate of occupancy for the facility;
- (3) Changing its effective date to July 1, 2020, to encourage further discussion; and



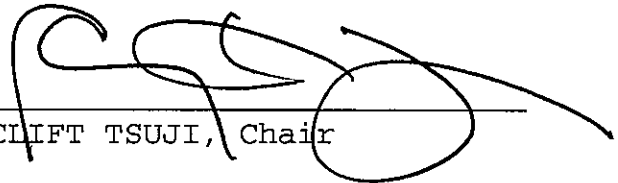
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

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. 1559, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1559, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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



JERRY L. CHANG, Chair



CLIFT TSUJI, Chair

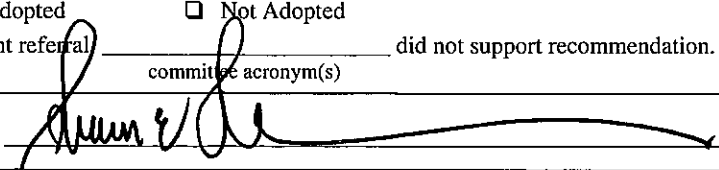




HSCR 1134

State of Hawaii  
House of Representatives  
The Twenty-sixth Legislature

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

Bill/Resolution No.: <b>SB 1559 SD 2</b>	Committee Referral: <b>AGR/WLO, FIN</b>	Date: <b>3/21/11</b>		
<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>MORIFA, Hermina M.</del>				
10. NAKASHIMA, Mark M.	✓			
11. RIVIERE, Gil	✓			
12. THIELEN, Cynthia	✓			
TOTAL (22) (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				