

Honolulu, Hawaii

FEB 18 2011

RE: S.B. No. 1559

S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Water, Land, and Housing, to which was referred S.B. No. 1559 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Grant priority processing of a private entity's building permit application for a construction project for structures associated with Important Agricultural Lands;
- (2) Exempt from county permit conditions unattached structures associated with Important Agricultural Lands that do not have plumbing, heating, or electrical systems;
- (3) Require county general plans to accommodate the designation of Important Agricultural Lands;
- (4) Exempt structures associated with Important Agricultural Lands for determining and assessing the taxable value of real property;
- (5) Establish preferential rates for the purchase of energy that is used or consumed for agricultural activities on Important Agricultural Lands;



- (6) Authorize insurers to provide preferential rates to owners or lessees of Important Agricultural Lands;
- (7) Designate all Important Agricultural Lands as an enterprise zone;
- (8) Grant tax credits and exemptions to qualified persons who engage in qualified agricultural activities in an enterprise zone;
- (9) Require the Department of Land and Natural Resources to certify annually the applicability of certain tax credits and exemptions in an enterprise zone;
- (10) Reduce county infrastructure requirements for installation of improvements on Important Agricultural Lands;
- (11) Require the Department of Agriculture to review county permit processes relating to Important Agricultural Lands; and
- (12) Divert monies from the Agricultural Development and Food Security Special Fund to the Dam and Reservoir Safety Special Fund.

Your Committee received testimony in support of this measure from the Land Use Research Foundation of Hawaii; Hawaii Farm Bureau Federation; Hawaii Cattlemen's Council, Inc.; and Alexander and Baldwin, Inc. Your Committee received testimony in opposition to this measure from the Department of Planning and Permitting of the City and County of Honolulu and the Sierra Club, Hawai'i Chapter. Your Committee received comments on this measure from the Department of Land and Natural Resources and the Department of Agriculture.

Your Committee finds that Act 183, Session Laws of Hawaii 2005, created the standards, criteria, and processes for identifying Important Agricultural Lands. This measure continues to address the question of Important Agricultural Lands and to support agriculture in the State.

After considering the testimony presented, your Committee has concerns regarding the Department of Land and Natural Resources' ability to accurately certify tax credits and business exemptions.



Your Committee has additional concerns regarding the appropriation and funding to restore dams located within Important Agricultural Lands through diverting monies from the Agricultural Development and Food Security Fund.

Your Committee has adopted language that amends this measure by:

- (1) Deleting language that required the Department of Land and Natural Resources to annually certify to the Department of Taxation the applicability of tax credits and exemptions within an enterprise zone;
- (2) Adding language to require the Department of Business, Economic Development, and Tourism to annually certify to the Department of Taxation the applicability of tax credits and exemptions within an enterprise zone;
- (3) Deleting part VIII regarding the appropriation and funding to restore dams located within Important Agricultural Lands through diverting monies from the Agricultural Development and Food Security Special Fund to the Dam and Reservoir Safety Special Fund; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1559, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1559, S.D. 1, and be referred to the Committee on Ways and Means.

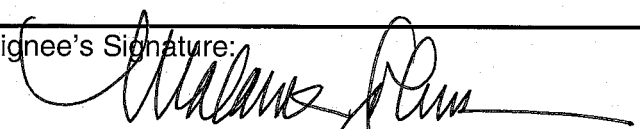
Respectfully submitted on
behalf of the members of the
Committee on Water, Land, and
Housing,


DONOVAN M. DELA CRUZ, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Water, Land, and Housing
WLH

Bill / Resolution No.:*	Committee Referral:	Date:		
SB1559	WLH, WAM	2-15-11		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	/			
SOLOMON, Malama (VC)	/			
FUKUNAGA, Carol				✓
RYAN, Pohai	/			
SHIMABUKURO, Maile				✓
TOKUDA, Jill N.	/			
SLOM, Sam				✓
TOTAL	4			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes