

STAND. COM. REP. NO.

740

Honolulu, Hawaii

MAR 04 2011

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

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1559, S.D. 1, 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 establish additional incentives for landowners to preserve and maintain important agricultural lands.

Specifically, the measure expands the State's existing important agricultural lands program by:

- (1) Granting priority processing of a private entity's building permit application for a construction project for structures associated with important agricultural lands;
- (2) Exempting from county permit conditions unattached structures associated with important agricultural lands that do not have plumbing, heating, or electrical systems;
- (3) Requiring county general plans to accommodate the designation of important agricultural lands;
- (4) Exempting structures associated with important agricultural lands for determining and assessing the taxable value of real property;



- (5) Establishing preferential rates for the purchase of energy that is used or consumed for agricultural activities on important agricultural lands;
- (6) Authorizing insurers to provide preferential rates to owners or lessees of important agricultural lands;
- (7) Designating all important agricultural lands as an enterprise zone;
- (8) Granting tax credits and exemptions to qualified persons who engage in qualified agricultural activities in an enterprise zone;
- (9) Requiring the Department of Business, Economic Development, and Tourism to certify annually the applicability of certain tax credits and exemptions in an enterprise zone;
- (10) Reducing county infrastructure requirements for installation of improvements on important agricultural lands; and
- (11) Requiring the Department of Agriculture to review county permit processes relating to important agricultural lands.

Your Committee received testimony in support of this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; Paul Oshiro, Manager - Government Relations, Alexander and Baldwin, Inc; and the Hawaii Farm Bureau Federation. Your Committee received testimony in opposition to this measure from David K. Tanoue, Director, Department of Planning and Permitting, City and County of Honolulu. Your Committee received comments on this measure from Gordon Ito, State Insurance Commissioner, Department of Commerce and Consumer Affairs; and the Tax Foundation of Hawaii.

Your Committee finds that Act 183, Session Laws of Hawaii 2005, created the standards, criteria, and processes for the identification and designation of important agricultural lands. Your Committee also finds that this measure provides additional incentives intended to support and encourage sustained, viable agricultural activity on important agricultural lands.



Your Committee has amended this measure by:

- (1) Deleting the definition of "structures associated with important agricultural lands";
- (2) Deleting provisions regarding tax incentives, enterprise zones, and reducing infrastructure requirements;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1559, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1559, S.D. 2.


Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
\_\_\_\_\_  
DAVID Y. ICE, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1559, SD1	WLH, WAM	3-1-11		
<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
IGE, David Y. (C)	/			
KIDANI, Michelle N. (VC)	/			
CHUN OAKLAND, Suzanne	/			
DELA CRUZ, Donovan M.	/			
ENGLISH, J. Kalani	/			
ESPERO, Will	/			
FUKUNAGA, Carol	/			
KIM, Donna Mercado	/			
KAHELE, Gilbert	/			
KOUCHI, Ronald D.	/			
RYAN, Pohai	/			
TOKUDA, Jill N.	/			
WAKAI, Glenn	/			
SLOM, Sam	/			
<b>TOTAL</b>	14	0	0	0
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b>				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes