

BIA-HAWAII
BUILDING INDUSTRY ASSOCIATION

February 12, 2011

Senator Donovan Dela Cruz, Chair
Committee on Water, Land and Housing
Senator Clarence Nishihara, Chair
Committee on Agriculture
State Capitol, Room 225
415 South Beretania Street
Honolulu, Hawaii 96813
Senators Dela Cruz and Nishihara and Members of the Joint Committees:

LATE

Subject: **Senate Bill No. SB 1180 Relating to Land Use**

I am Karen Nakamura, Chief Executive Officer of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-HAWAII provides the following comments on S.B. No. 1180.

The purpose of this Act is to authorize certain development rights to be conveyed from owners in agricultural districts to certain owners of land in urban districts, subject to conditions.

While BIA supports the overall intent of the legislation to preserve and protect our agricultural zoned lands and focus development in urban areas, we believe that the law as presently drafted may not provide sufficient incentives to encourage wide participation by owners of agricultural zoned lands.

Perhaps one incentive to consider is to include a waiver of payment of real property taxes on the agricultural lands from which development rights are transferred. This would be a logical incentive when you consider that active agricultural lands should have little or no municipal services which are funded through real property taxes. Furthermore, insofar as the receiving "urban" lands will increase in value with the transferred development rights, the County should realize a net benefit in real property taxes as the urban lands would be taxed at a higher rate.

Thank you for this opportunity to express our views.



Chief Executive Officer
BIA-Hawaii