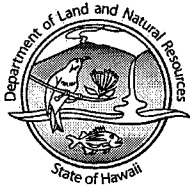


SB 142

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

WILLIAM J. AILA, JR.
INTERIM CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

GUY H. KAULUKUKUI
FIRST DEPUTY

WILLIAM M. TAM
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**Testimony of
WILLIAM J. AILA, JR.
Chairperson**

**Before the Senate Committee on
WAYS AND MEANS**

**Tuesday, March 1, 2011
9:20 A.M.
State Capitol, Conference Room 211**

**In consideration of
SENATE BILL 142, PROPOSED SENATE DRAFT 1
RELATING TO DAMS AND RESERVOIRS**

Senate Bill 142, Proposed Senate Draft 1 revises sections of Chapter 179D, Hawaii Revised Statutes (HRS) to require the Board of Land and Natural Resources to consider dams' and reservoirs' roles as important water resources for the State and the need to maintain and operate them in a safe and feasible manner. The Department of Land and Natural Resources (Department) supports the intent of proposed Senate Draft 1. The Department has been in discussions with various dam owners to develop feasible options to sustain beneficial uses while rehabilitating and maintaining their structures in a safe manner. The Proposed Senate Draft 1 has addressed the concerns the Department had on specific provisions of the original measure.

Thank you for the opportunity to comment.



Hawaii Farm Bureau

F E D E R A T I O N

2343 Rose Street, Honolulu, HI 96819
PH: (808)848-2074; Fax: (808) 848-1921

February 28, 2011

TESTIMONY

Re: SB142 (proposed SD1) RELATING TO DAMS AND RESERRVOIRS

Chair Oshiro and Members of the Committee:

Hawaii Farm Bureau Federation on behalf of commercial farm and ranch families and organizations in the State **strongly supports SB142 proposed SD1**, clarifying the decision making process in the Dam and Reservoir Safety Analysis

The majority of dams and reservoirs are under the ownership of those engaged in agriculture. Yet, these **dams and reservoirs also serve the community in other ways such as drinking water and fire protection**. Forests have been saved because of access to water from reservoirs during forest fires. We need to ensure that compliance to dam and reservoir safety is reasonable so these services can continue into the future.

We respectfully request your strong support to move this measure forward. We appreciate this opportunity to provide our opinion on this important matter. If there are questions, please contact Warren Watanabe at 2819718. Thank you.



Hawaii Farm Bureau
F E D E R A T I O N

2343 Rose Street, Honolulu, HI 96819
PH: (808)848-2074; Fax: (808) 848-1921

February 28, 2011

TESTIMONY

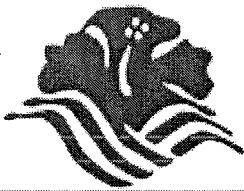
Re: SB142 (proposed SD1) RELATING TO DAMS AND RESERRVOIRS

Chair Ige and Members of the Committee:

Hawaii Farm Bureau Federation on behalf of commercial farm and ranch families and organizations in the State **strongly supports SB142 proposed SD1**, clarifying the decision making process in the Dam and Reservoir Safety Analysis

The majority of dams and reservoirs are under the ownership of those engaged in agriculture. Yet, these **dams and reservoirs also serve the community in other ways such as drinking water and fire protection**. Forests have been saved because of access to water from reservoirs during forest fires. We need to ensure that compliance to dam and reservoir safety is reasonable so these services can continue into the future.

We respectfully request your strong support to move this measure forward. We appreciate this opportunity to provide our opinion on this important matter. If there are questions, please contact Warren Watanabe at 2819718. Thank you.



February 28, 2011

Testimony

RE:SB142 proposed SD1 RELATING TO DAMS AND RESERVOIRS

Chair Ige and Members of the Committee:

Maui County Farm Bureau on behalf of our commercial farm and ranch families and organizations on the island is in **strong support of SB142 proposed SD1**, clarifying the process to determine dam and reservoir safety compliance requirements.

The condition and locations of the dams and reservoirs across the State vary significantly. Our farmers and ranchers recognize the need to comply with safety requirements. At the same time, they need to balance competing requirements placed on them by various laws and rules. Farmers and ranchers find themselves needing to balance all of these needs along with maintaining viability of their operations. SD1 brings in consideration of the vast benefits associated with dams and reservoirs to the decisionmaking process.

We respectfully requests your strong support of this measure. Thank you for this opportunity to provide our opinion on this important matter. If there are questions, please contact Warren Watanabe, Executive Director of MCFB at 2819718.



822 Bishop Street
Honolulu, Hawaii 96813
P.O. Box 3440
Honolulu, HI 96801-3440
www.alexanderbaldwin.com
Tel (808) 525-6611
Fax (808) 525-6652

**SB 142 SD1 (PROPOSED)
RELATING TO DAMS AND RESERVOIRS**

**PAUL OSHIRO
MANAGER – GOVERNMENT RELATIONS
ALEXANDER & BALDWIN, INC.**

MARCH 1, 2011

Chair Ige and Members of the Senate Committee on Ways & Means:

I am Paul Oshiro, testifying on behalf of Alexander & Baldwin, Inc. (A&B), Hawaiian Commercial & Sugar Company (a division of A&B) and Kauai Coffee Company (a subsidiary of A&B), on SB 142 SD1 (Proposed), "A BILL FOR AN ACT RELATING TO DAMS AND RESERVOIRS." We support this bill.

Alexander & Baldwin and its agricultural companies Hawaiian Commercial & Sugar Company (HC&S) and Kauai Coffee Company, have 18 regulated reservoirs on Kauai and 30 on Maui, the majority of which are in active use by HC&S and Kauai Coffee Company. Because these dams and reservoirs are a vital part of our agricultural operations, they are operated, monitored, and maintained on an on-going basis. These facilities enable the storage of water so that HC&S and Kauai Coffee can better weather periods of drought. These facilities also enable us to make optimum use of water resources—by capturing waters during heavy rainfall periods, less has to be used from surface water sources and wells during other times. They are absolutely integral to our ability to continue to keep tens of thousands of acres in agriculture in this state.

In addition to serving as a valuable water resource for Hawaii's agricultural industry, dams and reservoirs also provide several other significant benefits to the

general public. Many of these facilities also provide drinking water for residential communities, renewable energy by way of hydropower, and flood control and drainage for public safety. By recognizing that the maintenance of dams and reservoirs must be feasible in order for the dams and reservoirs to remain in operation, this bill will serve as the basis to enable DLNR to give valuable consideration to the critical importance of dams and reservoirs to the State of Hawaii in its administration of the dam and reservoir safety program. We believe that this bill will greatly enhance the continued operation and use of dams and reservoirs while continuing to protect the health, safety, and welfare of the State.

Based on the aforementioned, we respectfully request your favorable consideration on this bill. Thank you for the opportunity to testify.

The Twenty-Sixth Legislature
Regular Session of 2011

THE SENATE
Senator David Y. Ige, Chair
Senator Michelle Kidani, Vice Chair

State Capitol, Conference Room 211
Friday, February 18, 2011; 9:30 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON S.B. 162, PROPOSED SD1
RELATING TO TAXATION**

The ILWU Local 142 opposes S.B. 162, proposed SD1, which would tax pension income of taxpayers with a certain federal adjusted gross income and filing status for taxable years beginning after 12/31/10.

While we fully understand the dire fiscal situation the State currently faces, we think it is unfair to place the burden of addressing the deficit by taxing retirees living on fixed incomes. The proposal may be intended to capture revenues from retirees with higher incomes (\$75,000 for singles, \$100,000 for heads of households, and \$125,000 for couples), but even these amounts may negatively impact middle-income retirees with inordinate expenses.

For example, a retiree may have \$75,001 in income but took out a mortgage at a late age and has to pay a sizeable amount of his income to keep a roof over his head. By exceeding the trigger amount, the retiree will then be forced to pay income taxes on his entire adjusted gross income. Another example may be a retiree with large out-of-pocket medical costs. Even with annual out-of-pocket limits under most Medicare Advantage plans, the retiree may still have to pay out at least \$3,000 each year. And if the retiree also takes prescription drugs that require large copayments not subject to plan caps, the income level that may have seemed comfortable may now be just enough to meet the retiree's daily needs. To add a tax that the retiree had not anticipated when he retired in the first place would seem to be placing an insensitive burden on those who should be enjoying their golden years, not worrying about paying taxes.

If the Legislature insists on shared sacrifice by all, we believe a better way to raise revenue would be a **temporary increase of the general excise tax**. A half percent or one percent increase for two or three years would generate several hundred million dollars, perhaps half the deficit for the next two years. This would be a shared sacrifice by all, not just pensioners, and would include a sizeable contribution from visitors. The tax may be regressive, and the Legislature could consider exempting food, but we caution that any exemptions would seriously erode the amount of revenue that could be derived from an increase to the GET. Furthermore, if the increase is temporary, repealing the exemption would be difficult, if not impossible.

If the Legislature insists on some kind of tax on pension income, we suggest that the amounts given in the bill under which income is exempt from taxes should be used as a **threshold**. If a retiree's income exceeds this amount, all income above that threshold would be taxed--but not the retiree's entire income. This would certainly capture more income from wealthy retirees, precisely those that Governor Abercrombie has said were his target.

Desperate times call for desperate measures, but taxing pensions with no sunset may be suicidal. If your Committee will not consider amending the bill to tax only the portion of pensions that exceed the thresholds given in the bill, the ILWU respectfully asks that S.B. 162, proposed SD1 be **held**.

Thank you for the opportunity to testify on this matter.