

NEIL ABERCROMBIE
Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512

LATE TESTIMONY

RUSSELL S. KOKUBUN
Chairperson, Board of Agriculture

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TESTIMONY OF RUSSELL S. KOKUBUN CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEES ON AGRICULTURE AND WATER, LAND, AND
OCEAN RESOURCES

FRIDAY, MARCH 18, 2011
10:30 A.M.
CONFERENCE ROOM 325

SENATE BILL NO. 1559, SENATE DRAFT 2
RELATING TO IMPORTANT AGRICULTURAL LANDS

Chairs Tsuji and Chang and Members of the Committees:

Thank you for the opportunity to testify on Senate Bill 1559, Senate Draft 2. The purpose of this measure is to establish incentives for designating Important Agricultural Lands (IAL). The incentives include expedited county building permit processing, requiring county general plans to identify IAL in accordance with Chapter 205, and establishing preferential electricity and insurance rates.

The Department of Agriculture cannot support this measure, particularly Parts I and II, as it would appear to conflict with or be inconsistent with the provisions in the IAL Law (Part III of Chapter 205, HRS) and the IAL Incentives Act (Act 233, 2008 SLH).

For instance, Part I amends Chapter 46 (general jurisdiction and powers of the counties) to provide priority processing of building and development related permits for projects "...that uses products grown on lands designated as important agricultural lands" (page 1, lines 10-11), and provides for an automatic building approval if the permit is not acted upon in 90 days. Section 205-46.5 (agricultural processing facilities;



permits; priority) already provides for priority permit processing for agricultural processing facilities that process crops or livestock from an agribusiness whose lands, the majority of which are designated as IAL. Further, the existing law does not provide for automatic permit approval.

Part I also amends Chapter 226 (Hawaii State Plan) by requiring the county general plans to include IAL identification pursuant to IAL identification criteria (Section 205-44) (pages 4, lines 6-16). This amendment creates confusion by adding the IAL designation guidance found in Section 205-49 that is used by the Land Use Commission in considering lands petitioned for IAL designation.

This bill also proposes to give grazing and feed producing lands standing as an "agricultural production system" (page 4, lines 17-19), a term that does not appear to be defined in the Hawaii Revised Statutes.

This bill also proposes to give a higher priority for identification as IAL, those lands that may have an existing and viable agricultural operation regardless of soil type (page 4, line 20 to page 5, line 2). This appears to be contrary to Section 205-44 that does not prioritize the eight IAL identification criteria.

Finally, this measure defines "'important agricultural lands" as lands designated pursuant to sections 205-44 and section 205-45." The correct statutory reference for IAL designation is Section 205-49 (designation of important agricultural lands; adoption of important agricultural lands maps).

Thank you, again, for this opportunity to testify on this measure.



LATE TESTIMONY

Hawaii Farm Bureau

F E D E R A T I O N

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March 16, 2011

TESTIMONY

Re: SB1559 SD2 RELATING TO IMPORTANT AGRICULTURAL LANDS

Chair Tsuji, Chair Chang and Members of the Committees:

Hawaii Farm Bureau Federation on behalf of our commercial farmers and ranchers in the State, **strongly supports SB1559 SD1**, establishing incentives for Important Agricultural Lands.

Important Agricultural Lands is NOT just a land use classification or zoning measure. It is a economic development initiative that has as its' basic precept that viable farmers and ranchers will keep lands in agriculture. Land by itself is NOT agriculture. You need a farmer or rancher on the land to be agriculture.

The Legislature enacted incentives associated with Important Agricultural Lands in 2008. Unfortunately, other than the income tax credit, other credits have not been implemented as required by law. Other incentives, though recommended were never implemented. **This measure seeks to complete the enactment of incentives, encouraging landowners and farmers and ranchers to designate their lands as Important Agricultural Lands, identifying key measures that have been bottlenecks to farm and ranch viability.**

Value added production is important to expand the revenue base of our farmers and ranchers. Yet, building permits often hinder the process, even to the point of preventing expansion of operations into this area. The first initiative seeks to address this shortcoming. It is meant for non residential facilities directly associated with the growing, raising, or processing of agricultural crops or livestock.

In 2008, as power prices skyrocketed, we saw farmers and ranchers loose their life savings to pay bills. The PUC authorization to provide reduced electrical rates for those on IAL lands will help keep operations going during difficult times. If you

loose farms and ranches during those times, Hawaii's intent for self sufficiency will not be possible. Precedence to provide reduced rates for agriculture already exists in the PUC with Island Fresh discounts for interisland transportation.

The State Constitution requires the recognition of IAL. It follows that County General Plans should also follow the process. If State AND County policies to support IAL are not consistent, agriculture will struggle. As Important Agricultural Lands are designated, County and State policies should support them to ensure their viability for future generations.

On July 2011, the IAL law allows the Counties to begin mapping and designating Important Agricultural Lands with the LUC approval. It is important that adequate incentives be in place to preclude any implications of a taking. Nationally, downzoning without compensation loses in court. This measure is a critical part of meeting the Constitutional Mandate to preserve and protect Important Agricultural Lands.

We respectfully request your strong support of this measure. If there are any questions, please contact Warren Watanabe at 2819718.

Thank you.