



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

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February 7, 2011

TESTIMONY

Re: HB996 RELATING TO STATE LAND LEASES

Chair Chang and Members of the Committees :

Hawaii Farm Bureau Federation on behalf of commercial farm and ranch families and organizations in the State supports with comments HB996, extending State leases for agricultural operations affected by natural disasters.

Hawaii's farmers and ranchers have experienced severe impacts to their operations due to natural disasters including droughts, floods, earthquakes and vog. Their viability is impacted and face additional investments to repair damaged infrastructure or replant crops. Extending their leases will allow them greater opportunity to justify additional expenditures and most importantly allow them to keep farming or ranching, important to Hawaii's increased self sufficiency.

We agree with the amendments but also offer the following for consideration. In Hawaii's Enterprise Zone program, force majeure provisions are included to stop the time clock and allow continuation after the event passes. We suggest a similar provision rather than limiting it to the last five years of the lease. The following is the language in the EZ law.

[§209E-14] Force majeure event; agricultural businesses. If a business engaged in agricultural production or processing is:

(1) Wholly or partially prevented from maintaining eligibility requirements under section 209E-9; or

(2) Interrupted,

by reason of or through any force majeure event, then the business shall not be disqualified under this chapter. The business shall remain eligible for all tax incentives under this chapter during any period of time while experiencing conditions under paragraph (1) or (2) caused by a force majeure

event, and the seven-year eligibility period shall be extended by an equivalent period of time. The business shall be as prompt and diligent as practicable in providing the department with notice of a force majeure event or of any situation that may lead to a force majeure event. [L 2008, c 143, §1]

We respectfully request your consideration of the amendment and your support in passage of this measure. We appreciate this opportunity to provide our opinion on this important matter. If there are questions, please contact Warren Watanabe at 2819718.