

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



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CONSERVATION AND COASTAL LANDS
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KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

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

**Before the House Committee on
FINANCE**

**Thursday, March 29, 2012
1:30 PM
State Capitol, Conference Room 308**

**In consideration of
SENATE BILL 3011, SENATE DRAFT 2, HOUSE DRAFT 2
RELATING TO PUBLIC LANDS**

Senate Bill 3011, Senate Draft 2, House Draft 2 proposes to direct the Department of Agriculture (DOA) to transfer the parcels of agricultural land designated in the bill to the Agribusiness Development Corporation (ADC). The Department of Land and Natural Resources (DLNR) has concerns with the current version of the bill, and offers the following comments.

The Board of Land and Natural Resources (BLNR) and the Board of Agriculture (BOA) have already approved the set-aside of these lands for agricultural purposes to the DOA by executive order pursuant to Act 90 of the Session Laws of the State of Hawaii, 2003. By Executive Order No. 4403 signed by the Governor on February 20, 2012, the lands designated in the bill were transferred to DOA and are now under their management and control pursuant to Section 171-11, Hawaii Revised Statutes (HRS). Under Section 171-11, HRS, DOA does not have the authority to transfer the fee title to lands to another agency or attached corporation. However, DOA could, with prior BLNR approval, enter into a lease of the lands to ADC.

Alternatively, at the request of the BOA and the Board of Directors of ADC, the BLNR could cancel the recently-issued Executive Order No. 4403 and reset-aside the all of the lands directly to ADC, or reset-aside part of the lands to ADC and the other part to DOA, by replacement executive order(s). This alternative would be more in line with inter-agency land dispositions under Section 171-11, HRS.



SB3011 SD2 HD2
RELATING TO PUBLIC LANDS
House Committee on Finance

March 29, 2012

1:30 p.m.

Room 308

The Office of Hawaiian Affairs (OHA) **OPPOSES** SB3011 SD2 HD2, which would require the Department of Agriculture to transfer title to public agricultural lands under its jurisdiction to the Agribusiness Development Corporation.

The Agribusiness Development Corporation was created as a rapid-response agency to stabilize deteriorating plantation water systems and transition vacant plantation lands to use for diversified agriculture. It enjoys broad exemptions from existing processes when disposing of and developing upon land. Specifically, it is not subject to HRS 171-64.7, which requires a 2/3 majority vote of the legislature to sell certain public lands and requires OHA be notified of such land disposals.

HRS 171-64.7 was enacted as a result of a ceded lands settlement between the state and OHA to ensure that Public Land Trust lands for which OHA is entitled a pro rata portion of revenues would not be diminished without the opportunity for public comment, the legislature's approval, and the notification of OHA. Removing agricultural lands from the purview of this law would circumvent the system created to ensure state accountability for public trust lands while diminishing a source from which OHA is constitutionally entitled to a pro rata portion. In short, this bill would effectively controvert the state's trust obligation to Native Hawaiians.

Therefore, OHA **OPPOSES** SB3011 SD2 HD2. Mahalo for the opportunity to testify on this important measure.



Hawaii Farm Bureau
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March 29, 2012

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON SB 3011, SD2, HD2
RELATING TO PUBLIC LANDS

Room 308
1:30 PM

Chair Oshiro, Vice Chair Lee, and Members of the Committee:

I am Dean Okimoto, President of the Hawaii Farm Bureau Federation (HFBF). Organized since 1948, the HFBF is comprised of 1,800 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interest of our diverse agricultural community.

HFBF strongly supports SB 3011, SD2, HD2 which requires Department of Agriculture to transfer the parcels of land identified by the TMKs (1) 9-4-012:001, (1) 9-4-012:002, and (1) 9-4-012:003 to the Agribusiness Development Corporation (ADC).

From an agricultural industry standpoint, we believe that ADC is the more appropriate state agency that should have the authority to manage these specific TMKs.

ADC was initiated by the agricultural industry as the closure of plantations escalated and there was a need to identify mechanisms that could quickly place farmers on lands that were destined to be idle.

HFBF believes that ADC has a tremendous amount of power and has a responsibility in continuing to assist Hawaii's transition from plantation agriculture to smaller diversified agricultural operations.

I can be reached at (808) 848-2074 if you have any questions. Thank you for the opportunity to testify.