



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

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February 4, 2013

HEARING BEFORE THE  
HOUSE COMMITTEE ON AGRICULTURE  
HOUSE COMMITTEE ON WATER AND LAND

TESTIMONY ON HB 482  
RELATING TO AGRICULTURE

Auditorium  
8:30 AM

Chair Wooley, Chair Evans, Vice Chair Onishi, Vice Chair Lowen 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 1,950 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 is in strong opposition of HB 482, that seeks to repeal tax credits relating to regulatory expenditures by farmers and ranchers on Important Agricultural Lands (IAL).

The melancholic and idyllic days of a farm and ranch with a simple life are gone. Today, farmers and ranchers face the reality of not only needing to be educated in farming and ranching practices but must be well versed in the myriad of regulatory requirements facing their operation.

Unlike purchase of development rights or agricultural easements, the State of Hawaii or any public trust entities does not provide payment for entities that designate lands as IAL through the LUC process. Rather, designation is done voluntarily or through a county mapping process – a process that is currently underway. During the crafting process of Act 183(SLH2005), the authors of the measure which included landowners, farmers, ranchers, public trust entities, agencies and many others interested in fulfilling the Constitutional Mandate requiring the identification and preservation of IAL, were cognizant of the need to ensure that the measure would not be interpreted as a taking. This measure was the first of its' kind in the nation as other states with agricultural preservation programs – California's Williamson Act or New Jersey's Farmland Preservation Program to name a few – all require some kind of direct payment to landowners. For example New Jersey's program since 1981, has preserved 200,850

acres at a cost of \$1,545,523,768 or \$7,705/acre. Hawaii in 3 years has preserved 89,800 acres. If we paid \$7,705/acre, the payout by the State over these past few years would have been nearly \$692M. What lands in Hawaii would have a development value of \$7705? This number is very conservative and unrealistic for Hawaii's land values. Even with this low value, we all know the economy since 2008 would not have afforded such an expenditure and yet landowners designated these lands. An IAL designation is likely to be one that will remain in perpetuity. In reality the designation is a type of taking as the landowner does lose their right to rezone the lands and the land can only be used for agriculture. Real Property tax assessments of agricultural lands reflect the highest and best use of equivalent lands and they are considerable.

To avoid the possibility of being labeled a taking, the package of incentives were crafted that would be important to ensure the viability of the lands. While requiring 2/3 vote from the LUC, one of the reasons why lands would be released from IAL designation is the loss to access of water, for without water, agriculture cannot occur. It makes sense to provide a credit to landowners to defend their access to water or it would be the right of the landowner to have their designation removed since agriculture would no longer be possible.

This measure seeks to force landowners to defend their need for their most basic resource or farming practices and ignore that there can be a loss of farmland in the process. What message does this send to landowners when the State will not stand by landowners who give up their development rights to keep lands in agriculture for future generations?

Those who support this measure have other intentions – and one of them is NOT the protection of the viability of farmers and ranchers. As members of the Agriculture Committee, we respect this body to understand what it means to have a viable commercial farm or ranch today. Water is contentious. There are scarcer resources. It is a time when we all need to unite to identify new sources of water to meet competing needs. It is also a time when many do not understand what it takes to be a commercial farm or ranch. Challenges to animal care and other basic farming practices have been put into question. These practices are not illegal but are practices that are recognized as sound commercial practices and utilized by other farms and ranches across the country. Laws based on the former melancholic and idyllic farm lifestyle but not realistic today challenge farm and ranch viability. It is not a time to create artificial barriers that discourage landowners, farmers and ranchers from defending their right of access to water or right to farm.

HFBF respectfully requests this body to make the pragmatic decision to oppose this measure. Thank you for this opportunity to provide our opinion on this important matter.