

SB363

Testimony

LATE



LAND USE RESEARCH
FOUNDATION OF HAWAII

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January 24, 2013

Senator Clarence K. Nishihara, Chair
Senator Ronald D. Kouchi, Vice Chair
Senate Committee on Agriculture

Support of SB 363, Relating to Farms (Creates an income tax exemption for family farms, family farm communities, and family farm cooperatives).

Tuesday, January 29, 2013, 2:45 p.m., in CR 229

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. LURF's mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

LURF appreciates the opportunity to express its **support of SB 363** and of the various agricultural stakeholder groups who defend the goals of viable agricultural operations and the conservation and protection of agriculture, including important agricultural lands (IAL) in Hawaii. The bill conveys the need for collaboration amongst diverse sectors of the community - business, government, and agricultural stakeholders - and the importance for them to work together cooperatively to improve the economic viability of the State's agricultural industry.

SB 363. This bill establishes an income tax exemption on the first \$50,000 of income for family farms, family farm communities, and family farm cooperatives.

LURF's Position. The purpose of this bill is consistent with the underlying intent and objectives of the IAL laws (Hawaii Revised Statutes [HRS], Sections 205-41 to 52), which were enacted to fulfill the mandate in Article XI, Section 3, of the Hawaii State Constitution, "to conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency and assure the availability of agriculturally suitable lands." The IAL laws established a new paradigm which avoids requirements and mandates, and instead focuses on promoting agricultural viability by providing incentives for farmers and landowners to designate lands as IAL, and to build necessary infrastructure. This bill is thus an effort to expand the existing IAL program by establishing additional incentives for landowners to preserve and maintain IAL.

As noted in HRS Section 205-41, the intent of Act 183 (2005) was to develop agricultural incentive programs to promote agricultural viability, sustained growth of the agricultural industry, and the long-term use and protection of important agricultural lands for agricultural use in Hawaii concurrently with the process of identifying important agricultural lands as

required under the Act. Such incentives and programs are identified in HRS 205-41, and include tax credits and/or exemptions that promote investment in agricultural businesses or value-added agricultural development, specifically escalating tax credits based on the tax revenues generated by increased investment or agricultural activities conducted on IAL.

LURF appreciates the underlying intent of SB363, which is to support agriculture and aid agriculture-related businesses, and believes that the bill is consistent with the purpose and intent of the IAL laws. Passage of the long-awaited IAL legislation would be meaningless without implementation of these incentives which require the cooperation and support of the business and economic community. The establishment of tax incentives for those engaged, or desirous of engaging, in agricultural activities are critically needed to support viable agricultural activity in this State.

Thank you for the opportunity to present testimony in support of this measure.



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

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January 29, 2013

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE

TESTIMONY ON SB 363
RELATING TO FARMS

Room 229
2:45 PM

Chair Nishihara, Vice Chair Kouchi, 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 supports the intent of SB 363 which creates an income tax exemption on the first \$50,000 of income for family farms, family farm communities, and family farm cooperatives.

HFBF is supports any initiative that support Hawaii's small farmers and encourages new farming businesses.

We do recommend a broader definition of "Family farms" to include small farms that are incorporated.

Thank you for this opportunity to provide our testimony on this important matter.

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: nredfeather@kohalacenter.org
Subject: Submitted testimony for SB363 on Jan 29, 2013 14:45PM
Date: Tuesday, January 29, 2013 10:26:54 PM

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SB363

Submitted on: 1/29/2013

Testimony for AGL on Jan 29, 2013 14:45PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Nancy Redfeather	Hawaii Island School Garden Network/Kohala Center	Support	No

Comments: If we want folks to farm, we need to provide incentives, such as this. Costs today on feed, inputs, and labor continue to rise each year, and this year farms are facing new food safety regulations. 86% of farms on Hawaii Island are under 5 acres. We are a land of small family farms. However, each of those farms has the potential to produce a significant amount of food. If we support our small family farms, they will continue to support our communities and create a more secure food future.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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