



LATE

March 17, 2013

Representative Angus L.K. McKelvey, Chair
Representative Derek S.K. Kawakami, Vice Chair
House Committee on Consumer Protection & Commerce

Testimony in Support of SB 595, SD1, HD1, Relating to Agriculture (Adds to the definition of agricultural commodities exempt from the general excise tax: beef and beef carcasses; goat meat and goat carcasses; lamb meat and lamb carcasses; sheep meat and sheep carcasses; milk; eggs; poultry meat and poultry carcasses; and aquaculture and aquaponic products to be consumed in the State, whether processed in the State or imported.)

Monday, March 18, 2013, 2:30 p.m., in Conference Room 325

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. One of LURF's missions 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 595, SD1, HD1**, 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 emphasizes 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 implement agricultural incentives in order to attain results which may prove beneficial and significant to all parties.

In strong support of the use of agricultural lands for purposes allowed under state and county laws and ordinances, in 2005 and 2008, LURF partnered with the Hawaii Farm Bureau Federation (HFBF) and other agricultural stakeholders to pass the IAL legislation, which provides for the voluntary and government designation of IAL, loans for qualified agricultural expenses and other incentives to support productive and sustainable farming operations on agricultural lands. LURF and HFBF have also supported legislation to provide irrigation water and other incentives to agricultural lands and farmers.

SB 595, SD1, HD1. This bill proposes to add to the definition of agricultural commodities exempt from the general excise tax: beef and beef carcasses; goat meat and goat carcasses; lamb meat and lamb carcasses; sheep meat and sheep carcasses; milk; eggs; poultry meat and poultry carcasses; and aquaculture and aquaponic products to be consumed in the State, whether processed in the State or imported. Its effective date is July 1, 2050.

LURF's Position. The purpose of SB 595, Sd1, HD1, 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 agricultural infrastructure. This bill is thus an effort to expand the existing IAL incentive program by establishing additional incentives for farmers, ranchers, agricultural operators and landowners of agricultural lands, including IAL.

As noted in HRS Section 205-41, the intent of Act 183 (2005) was to develop agricultural incentive programs to promote agricultural viability and sustained growth of the agricultural industry concurrently with the process of voluntary and county designation of IAL as required under the Act to support the long-term use and protection of IAL. 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 SB 595, SD1, HD1, 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 credits, exemptions, and incentives for those engaged, or desirous of engaging, in agricultural activities are critically needed to support viable agricultural activity in this State. It is therefore hoped and anticipated that efforts will be made and all appropriate legislative measures be taken to fully effectuate the intent and objectives of the IAL laws.

Thank you for the opportunity to present testimony regarding this matter, in support of this bill.

kawakami2 - Rise

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 17, 2013 3:43 PM
To: CPCtestimony
Cc: tabraham08@gmail.com
Subject: Submitted testimony for SB595 on Mar 18, 2013 14:30PM



SB595

Submitted on: 3/17/2013

Testimony for CPC on Mar 18, 2013 14:30PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Troy Abraham	Individual	Support	No

Comments: i support passage of this bill

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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kawakami2 - Rise

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 17, 2013 10:41 PM
To: CPCtestimony
Cc: jacinthow001@hawaii.rr.com
Subject: Submitted testimony for SB595 on Mar 18, 2013 14:30PM



SB595

Submitted on: 3/17/2013

Testimony for CPC on Mar 18, 2013 14:30PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
William G. Jacintho	Maui Cattlemen's Association	Support	No

Comments: We Support the bill, and would like to include all animals and animal meats produced in Hawaii for consumption. Thank you, MCA

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