

HB482 HD1

Proposed SD1

Establishes the Whitmore project facility revenue bond special fund into which proceeds from revenue bonds shall be deposited for purchasing certain parcels of land from Dole Food Company, Inc. Appropriates funds to acquire certain Dole Food lands. (Proposed SD1)

NEIL ABERCROMBIE
Governor



SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

KEN H. KAKESAKO
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
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TESTIMONY OF SCOTT E. ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEES ON ECONOMIC DEVELOPMENT,
GOVERNMENT OPERATIONS, AND HOUSING, AGRICULTURE, AND WAYS AND
MEANS
WEDNESDAY, APRIL 2, 2014
10:15 A.M.
Room 211

HOUSE BILL NO. 482, HOUSE DRAFT 1, AND
PROPOSED SENATE DRAFT 1
RELATING TO AGRICULTURE

Chairpersons Dela Cruz, Nishihara, and Ige and Members of the Committees:

Thank you for the opportunity to testify on House Bill No. 482, House Draft 1 and proposed Senate Draft 1. House Draft 1 seeks to repeal the ability of owners and farmers on designated Important Agricultural Lands (IAL) to claim costs incurred for legal services related to obtaining or retaining sufficient water for agricultural activities and retaining the right to farm on IAL as provided by the IAL qualified agricultural cost tax credit under Section 235-110.93, Hawaii Revised Statutes.

The Department of Agriculture opposes House Draft 1. All of the IAL incentives that were enacted in 2008 should be left alone unless the intent is to improve them. The incentives are the culmination of two years of hard work by many people. Farmers and landowners who have had their agricultural lands designated as IAL must be allowed to benefit from the full array of IAL incentives.

With respect to Proposed Senate Draft 1, the Department defers to the Agribusiness Development Corporation.

Thank you, again, for the opportunity to testify on this measure.





STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
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TESTIMONY OF JAMES J. NAKATANI
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE SENATE
COMMITTEES ON ECONOMIC DEVELOPMENT, GOVERNMENT OPERATIONS
AND HOUSING, AGRICULTURE AND WAYS AND MEANS

Wednesday, April 02, 2014
10:15 a.m.
Conference Room 211

HOUSE BILL NO. 482, HD1 Proposed SD1
RELATING TO AGRICULTURE

Chairpersons Dela Cruz, Nishihara, Ige and Members of the Committees:

Thank you for the opportunity to testify on House Bill No. 482, HD1 Proposed SD1 a bill to establish the Whitmore Project Facility Revenue Bond Special Fund into which proceeds from revenue bonds shall be deposited for purchasing certain parcels of land from Dole Food Company, Inc. Further, this measure appropriates funds to acquire certain Dole Lands. The Agribusiness Development Corporation (ADC) supports the intent of this measure.

ADC's mission is to acquire, and manage in partnership with farmers, ranchers, and aquaculture groups, selected high-value lands, water systems, and infrastructure for commercial agricultural use and to direct research into areas that will lead to the development of new crops, markets, and lower production costs. This bill will assist

ADC to achieve its mission and further provide the state with an opportunity to preserve the largest agricultural tract on Oahu.

ADC has recently undertaken the Whitmore Project which is a long-range plan to create a centralized hub for agricultural operations in Central Oahu that includes but is not limited to commercial farming, land acquisition, packing, processing, workforce housing, food safety, education, value-added, marketing, high-tech, agro-tourism and manufacturing.

In conjunction with the Whitmore Project, ADC has recently acquired property with existing infrastructure to provide support services for farmers on the Galbraith Lands. ADC supports the measure of this bill which establishes the Whitmore project facility revenue bond special fund. This fund would further enhance ADC's flexibility to achieve its mission. Monies from this fund will go towards the purchase of real property for the protection of agricultural lands, land banking, promotion of farm ownership, and agricultural diversity which would essentially increase the corporation's available agricultural land under its control that the corporation may license to qualified farmers, businesses, and agencies.

Thank you for the opportunity to testify.

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEES ON ECONOMIC DEVELOPMENT,
GOVERNMENT OPERATIONS AND HOUSING, AGRICULTURE, AND
WAYS AND MEANS
ON
HOUSE BILL NO. 482, H.D. 1, PROPOSED S.D. 1

April 2, 2014

RELATING TO AGRICULTURE

House Bill No. 482, H.D. 1, Proposed S.D. 1, establishes the Whitmore Project Facility Revenue Bond special fund into which proceeds from revenue bonds shall be deposited for purchasing certain parcels of land from the Dole Food Company, Inc., and appropriates an undetermined amount of funds to acquire certain Dole Food lands.

While the Department of Budget and Finance does not take any position on the policy of acquiring agricultural and conservation lands. The department requests the Legislature to ensure that the creation of special funds meet the requirements of Section 37-52.3, HRS. Special funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. In regards to this bill, it is difficult to determine whether the special fund will be self-sustaining.

The department would also like to note that the issuance of revenue bonds require, among other things, the project to generate sufficient revenues to pay debt service on the bonds.



March 31, 2014

Senator Donovan M. Dela Cruz, Chair
Senator Sam Slom, Vice Chair
Senate Committee on Economic Development, Government Operations and Housing

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

Senator David Y. Ige, Chair
Senator Michelle N. Kidani, Chair
Senate Committee on Ways and Means

Testimony in Strong Opposition to HB 482, HD 1, Relating to Agriculture (Tax Credit; Qualified Agricultural Costs)

Wednesday, April 2, 2014, 10:15 a.m., in CR 211

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 this opportunity to express **strong opposition to HB 482, HD1** on behalf of its members and 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 IAL 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, LURF has 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.

HB 482, HD1. This bill proposes to repeal the ability to claim expenditures for legal services under the IAL qualified agricultural cost tax credit.

LURF's Position. This bill is clearly contrary to 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 proposed measure is an attempt to repeal the ability of agricultural stakeholders to claim expenditures for legal services under the IAL qualified tax credit. Legal support, assistance, and representation are critical to the stakeholders' efforts to obtain sufficient water for agricultural activities and to retain the right to farm on lands identified as IAL. Without any explanation or justification, the drafters of this bill disregard the very purpose and essence of the IAL laws and attempt to fatally weaken the existing IAL program by eliminating incentives which are critical in assisting stakeholders 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** (not inhibit, thwart, or terminate), agricultural viability, sustained growth of the agricultural industry, and the long-term use and protection of IAL for agricultural use in Hawaii concurrently with the process of identifying IAL as required under the Act. Such incentives and programs are identified in HRS 205-41, and expressly 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 believes, however, that the apparent intent of HB 482, HD1 is to suppress agriculture and agriculture-related businesses, and that the proposed bill is contrary to the purpose and intent of the IAL laws. Passage of the long-awaited IAL legislation would be meaningless without implementation of 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. It is therefore hoped and anticipated that efforts will be made and all appropriate legislative measures be taken to fully effectuate, rather than undermine the intent and objectives of the IAL laws.

Thank you for the opportunity to present testimony regarding this matter, in **strong opposition** to this bill.



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April 2, 2014

HEARING BEFORE THE JOINT SENATE COMMITTEES ON
ECONOMIC DEVELOPMENT, GOVERNMENT OPERATIONS AND HOUSING
AGRICULTURE
WAYS AND MEANS

TESTIMONY ON HB 482, proposed SD1
RELATING TO AGRICULTURE

Room 325
10:15 AM

Aloha Chairs Dela Cruz, Nishihara and Ige, Vice Chairs Slom, Kouchi and Kidani, and Members of the Committees:

I am Christopher Manfredi, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,832 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.

HFB is in strong support of HB 482, proposed SD1, which establishes the Whitmore project facility revenue bond special fund that would move toward acquisition of lands from Dole Food Company, Inc., as identified in section 40 of Act 134, Session Laws of Hawaii 2013.

HFB believes that in order for agriculture to flourish in Hawaii and reach their full potential, land availability and long-term leases at affordable and predictable lease rental rates are critical. The acquisition by the state of the Dole Lands will significantly increase the available agricultural land under the State's control and will provide farmers with long-term leases that will enhance the economic viability of Hawaii's agriculture industry.

We believe this is an opportunity to further support and expand the state's ability to provide prime agricultural lands for farmers, which is consistent with the State's goal of increasing self sufficiency and sustainability.

Thank you for the opportunity to testify on this measure.

From: mailinglist@capitol.hawaii.gov
To: [EGHTestimony](#)
Cc: thlr33@gmail.com
Subject: Submitted testimony for HB482 on Apr 2, 2014 10:15AM
Date: Sunday, March 30, 2014 8:13:04 AM
Attachments: [HB 482 HD1 HSCR893 Agriculture-2 Testimonies Only.gif](#)

HB482

Submitted on: 3/30/2014

Testimony for EGH/AGL/WAM on Apr 2, 2014 10:15AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Arvid Tadao Youngquist	I LOve Kalihi Valley	Support	No

Comments: Chairs, Senators Donovan Del Cruz, Clarence K. Nishihara, & David Ige Vice Chairs, Senators, Ronald Kouchi (Senate Vice President), Sam Slom (Minority Leader), & Michelle N. Kidani-Also all the Right Honorable Members of the Three (3) Joint Committees in this Hearing We support the original intent of the measure and hope that any further diluting of this measure be very minimal, or simply expressed in a report format. As you can see, only two major and no individual testimnies were offered at the last report. We think that a retroactive collection date to 2013 might be a bit unfair, but then again, we all pay income taxes from 2013, don't we? As far as the effective date of 2050 is concerned, you have no choice but to amend that to a more current date, perhaps to 2015, with retroactive collection to 2013? Unless you want to keep the "defective date" which will service some constituents and special interests, but we feel that would not be justice or transparency. 2050 is along after most of your political career in this building will be over, except for those in your twenties, and there aren't that many except for the up and coming candidates of the State House in 2014. Recommend that the Joint Committee approve this measure introduced by two worthy State Representatives. Thank you for holding this hearing. Oh, one last thing, please take another look at the confirmation vote on the Senate floor, and make sure a "knee jerk" reaction allows you to make a "rash decision" instead of asking the Governor to substitute another nominee or change the term length. There should still be time to withdraw the nomination and allow the out-going Board/Commissioner member to serve in the Interim until next Session, and or the Special Session, if there is one. Our only reservation of this particular nominee is that it will be very difficult for him to keep a straight face and say he is always going to be impartial to the interests of the Big AgriBusiness. The Business of America is Business, but should it be at the Expense of the Little Farmers? Isn't the Farmers Bureau supposed to be speaking up for the Interests of All Farmers, not just the Big Buys that are paying the Expenses for the Special Interests to continue Speaking? Just asking. Just a thought to ponder. Mahalo nui loa, Arvid Tadao Youngquist Founder, Spokesman, & Administrator *Note: CD1 registered voter, and Kalihi Valley resident and a proud Oahu County Democrat since January 1974 and multiple time Non-Partisan Office (OHA, BOE, City Council) candidate.

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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**HB482hd1, Proposed Sd1, Relating to Agriculture
Senate EGH/AGL/WAM Committees
Wednesday, April 2, 2014
10:15 am
Conference Room 211**

**Testimony by: Larry Jeffs
Position: Support**

Chairs Dela Cruz, Nishihara, Ige and Members of the Senate EGH/AGL/WAM Committees:

I am Larry Jeffs, co-owner of Sugarland Growers, Inc., a family run farm with more than 35 years experience of Hawaii farm experience on Molokai and Oahu.

We support HB482hd1, Proposed SD1, which provides a mechanism for the State to purchase available agricultural lands from Dole Food Company, Inc. Such an acquisition by the State would expand the clustering of farm production, increase availability of agricultural land with long term leases, and create more synergy among agricultural-related businesses in the Whitmore Village project area.

Your support of this measure is appreciated. Thank you for the opportunity to present testimony. I can be reached at (808) 688-2892 if there are any questions.

Sugarland Growers Inc.
P.O. Box 27, Kunia, Hawaii 96759
Tel: (808) 688-2982 Fax: (808) 682-2894

From: mailinglist@capitol.hawaii.gov
To: [EGHTestimony](#)
Cc: mauibrad@hotmail.com
Subject: Submitted testimony for HB482 on Apr 2, 2014 10:15AM
Date: Friday, March 28, 2014 4:22:48 PM

HB482

Submitted on: 3/28/2014

Testimony for EGH/AGL/WAM on Apr 2, 2014 10:15AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Brad Parsons	Individual	Support	No

Comments: Support HB482 HD1.

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HB482

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Testimony for EGH/AGL/WAM on Apr 2, 2014 10:15AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Brad Parsons	Individual	Oppose	No

Comments: Oppose Proposed HB482 Proposed SD1.

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Date: Tuesday, April 01, 2014 9:19:52 AM

HB482

Submitted on: 4/1/2014

Testimony for EGH/AGL/WAM on Apr 2, 2014 10:15AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
John Kampfer	Individual	Support	No

Comments: Funding to acquire lands from Dole is essential to facilitate restoration of agriculture in Central Oahu.

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HB482

Submitted on: 4/1/2014

Testimony for EGH/AGL/WAM on Apr 2, 2014 10:15AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Alex Kanamu	Individual	Support	No

Comments:

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HB482

Submitted on: 4/1/2014

Testimony for EGH/AGL/WAM on Apr 2, 2014 10:15AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Alison Dela Pena	Individual	Support	No

Comments:

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