

Honolulu, Hawaii

APR 10 2015

RE: H.B. No. 501
H.D. 1
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 501, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to support the local agricultural industry by expanding the types of utility services for which agricultural ratepayers may qualify for preferential rates.

This measure also requires the Public Utilities Commission to define the terms "qualified agricultural activities" and "bona fide agribusinesses" for purposes of the preferential rates.

Your Committee received written comments in support of this measure from the Department of Agriculture, Land Use Research Foundation of Hawaii, Hawaii Farm Bureau, and Ulupono Initiative. Your Committee received written comments on this measure from the Hawaii Public Utilities Commission.

Your Committee finds that the local agricultural industry is vitally important to Hawaii's efforts to attain self-sufficiency. In order for farmers and ranchers to remain competitive and self-sustaining, the State must provide incentives and mechanisms to ensure that all means of supporting the agricultural industry are implemented. Your Committee further finds that providing preferential rates for certain public utility services such as



water, interisland shipping, and electricity, to ratepayers engaged in agricultural activity will help to protect the local agricultural industry.

Your Committee notes that the Public Utilities Commission must define "qualified agricultural activities" and "bona fide agribusinesses" to implement the preferential rate program. As guidance, your Committee refers the Commission to the definition of "farming operation" under section 165-2, Hawaii Revised Statutes. Your Committee requests that the Commission consider using similar language under "farming operation," applied appropriately, to define "qualified agricultural activities" and "bona fide agribusinesses."

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 501, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



JILL N. TOKUDA, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:
HB501 HD1 SD1	AGL/CPN, WAM	4/2/15


The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 ~~Pass, with amendments~~ ^{AKA} 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood				✓
HARIMOTO, Breene	✓			
INOUYE, Lorraine R.	✓			
RIVIERE, Gil	✓			
RUDERMAN, Russell E.				✓
SLOM, Sam	✓			
TOTAL	9	0	0	2

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:


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