

STAND. COM. REP. NO. 515

Honolulu, Hawaii

MAR 05 2015

RE: S.B. No. 1162
S.D. 2

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

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1162, 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:

- (1) Prohibit the subdivision of, or creation of a condominium property regime on, parcels of agricultural lands one hundred acres or greater in size if at least fifty percent of the land in the parcel is rated class A or B by the Land Study Bureau's overall productivity rating; and
- (2) Exempt a landowner applicant who is the Department of Agriculture, the Agribusiness Development Corporation, or a bona fide commercial farmer from the prohibition against subdivision.

Your Committee received testimony in support of this measure from the Land Use Commission, Hawaii's Thousand Friends, and one individual. Your Committee received testimony in opposition to this measure from the Chamber of Commerce Hawaii and Land Use Research Foundation of Hawaii. Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds that subdivisions of, and community property regimes on, agricultural land without controls,

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monitoring, and enforcement can result in harm to agriculture by allowing increases in the value of agricultural land unrelated to agricultural productivity. This increase in value makes agricultural land unaffordable to farmers who are unable to purchase agricultural land for commercial farming. Your Committee further finds that it is important for certain large areas of agricultural lands to remain contiguous in order to accommodate certain agricultural uses; therefore, the subdivision of agricultural lands, including through condominium property regimes, must be scrutinized.

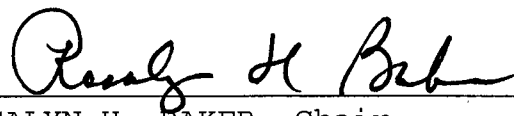
Your Committee understands that concerns have been raised regarding the definition of "bona fide commercial farmer" as proposed by this measure and whether this definition may be too narrow. Therefore, further discussions regarding the definition of "bona fide commercial farmer" and whether it should be amended to be more inclusive may be warranted as this measure moves through the legislative process.

Accordingly, your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1162, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1162, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



ROSALYN H. BAKER, Chair



