

Honolulu, Hawaii

FEB 19 2016

RE: S.B. No. 2795
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Water, Land, and Agriculture, to which was referred S.B. No. 2795 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to align the environmental response, energy, and food security tax with its original intent by reallocating a portion of the tax from the general fund to the Agribusiness Development Corporation to fund the acquisition of agricultural land.

Your Committee received testimony in support of this measure from the Hawaii Cattlemen's Council and Hawai'i Farm Bureau. Your Committee received comments on this measure from the Department of Agriculture, Department of Budget and Finance, Agribusiness Development Corporation, and Tax Foundation of Hawaii.

Your Committee finds that the Agribusiness Development Corporation is an agency administratively attached to the Department of Agriculture and tasked with transitioning fallow plantation land into cropland to provide economic opportunities for diversified agriculture operations. Your Committee further finds that there is no fund or entity dedicated to conserve and protect agricultural lands pursuant to Article XI, section 3, of the Constitution of the State of Hawaii. Your Committee has heard the Agribusiness Development Corporation's testimony and agrees that the funds appropriated by this measure would be best administered by the Department of Agriculture, which has a broader



perspective on agriculture in the State and is therefore better suited to administer the program set forth in this measure.

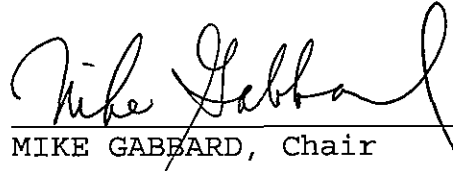
Your Committee has amended this measure by:

- (1) Deleting references to the Agribusiness Development Corporation;
- (2) Deleting the amendments to section 163D-17, Hawaii Revised Statutes, which establishes the Hawaii agricultural development revolving fund;
- (3) Establishing an agricultural land acquisition fund under chapter 141, Hawaii Revised Statutes;
- (4) Designating 10 cents of the environmental response, energy, and food security tax per barrel under section 243-3.5, Hawaii Revised Statutes, to the agricultural land acquisition fund, rather than the Hawaii agricultural development revolving fund;
- (5) Requiring that any monies deposited into the agricultural land acquisition fund shall be expended at the sole discretion of the Chairperson of the Board of Agriculture for the acquisition, administration, maintenance, and management of agricultural lands; and
- (6) 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 Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2795, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2795, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Water, Land, and
Agriculture,

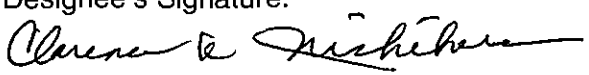


MIKE GABBARD, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Water, Land, and Agriculture
WLA

Bill / Resolution No.:* <i>SB 2795</i>	Committee Referral: <i>WLA, WAM</i>	Date: <i>02-17-16</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	/			
NISHIHARA, Clarence K. (VC)	/			
DELA CRUZ, Donovan M.	/			
RIVIERE, Gil	/			
RUDERMAN, Russell E.	/			
SHIMABUKURO, Maile S.L.	/			
THIELEN, Laura H.	/			
WAKAI, Glenn				/
SLOM, Sam				/
TOTAL	7			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes