STAND. COM. REP. NO.

Honolulu, Hawaii February 15, 2017

RE: H.B. No. 1522 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committee on Agriculture, to which was referred H.B. No. 1522 entitled:

"A BILL FOR AN ACT RELATING TO SUSTAINABILITY,"

begs leave to report as follows:

The purpose of this measure is to stimulate private investment in sustainable diversified agricultural operations by establishing a diversified farming business investment tax credit.

Two concerned individuals supported this measure. The Department of Taxation, Department of Agriculture, and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

- Changing its effective date to July 31, 2150, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency and style.

Should the Committee on Finance deliberate this measure further, your Committee on Agriculture respectfully requests that it consider the concerns raised by the Tax Foundation of Hawaii, which notes that the definition of "sustainable agriculture" found in this measure is largely subjective, and that if the credit described in this measure is enacted, the enforcing agency may

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need more stringent standards to differentiate between qualifying farms and non-qualifying farms.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1522, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1522, H.D. 1, and be referred to your Committee on Finance.

> Respectfully submitted on behalf of the members of the Committee on Agriculture,

RICHARD P. CREAGANY Chair



State of Hawaii House of Representatives The Twenty-ninth Legislature

Record of Votes of the Committee on Agriculture

Bill/Resolution No.:Committee Referral:HB1522AGR, FIN			Date:	Date: 2-10-17		
□ The committee is reconsidering its previous decision on the measure.						
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit) 						
AGR Members		Ayes	Ayes (WR)	Nays	Excused	
1. CREAGAN, Richard P. (C)						
2. DeCOITE, Lynn (VC)						
3. GATES, Cedric Asuega						
4. ING, Kaniela						
5. LoPRESTI, Matthew S.					NUMBERS ALL TRADES	
6. TAKAYAMA, Gregg						
7. THIELEN, Cynthia						
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TOTAL (7)						
The recommendation is:	Adopted If joint referral,	Not Adopted did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:						
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO						