

Honolulu, Hawaii

, 2018

MAR 23

RE: S.B. No. 1177
S.D. 1
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committees on Economic Development & Business and Water & Land, to which was referred S.B. No. 1177, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO COMMON INTEREST AGRICULTURAL COMMUNITIES,"

beg leave to report as follows:

The purpose of this measure is to provide a solution for Hawaii's farmers to farm agricultural land and share agricultural infrastructure and other resources in an economically viable way, while establishing greater accountability to ensure proper land use, by establishing common interest agricultural communities.

Aloun Farms testified in support of this measure. The Office of Planning and Department of Agriculture testified in opposition to this measure. The Department of Commerce and Consumer Affairs and Department of Planning and Permitting of the City and County of Honolulu provided comments.

Your Committees find that it is important to preserve agricultural lands for agricultural purposes and that allowing for the establishment of common interest agricultural communities is one way to accomplish this, as well as to increase Hawaii's food sustainability through smaller farm production. However, your Committees note that concerns were raised at the public hearing as



to whether allowing use of agricultural land for common interest agricultural communities may be used to create gentleman farms or transient vacation rental type operations where minimal agricultural production takes place. Your Committees also note that concerns were raised regarding enforcement issues if common interest agricultural communities were permanently allowed to be established without first determining whether the creation of such communities is viable or worthwhile. While your Committees understand these concerns, your Committees find that the concept of common interest agricultural communities is worthwhile and deserves further consideration.

Noting the concerns raised, your Committees have amended this measure by, among other things:

- (1) Establishing a five-year Leasehold Common Interest Agricultural Community Pilot Program (Pilot Program) to be administered by the Department of Agriculture rather than statutorily allowing for the establishment of common interest agricultural communities where land may be held in fee simple;
- (2) Requiring the Department of Agriculture to select state-owned lands under the jurisdiction of the Department to use to establish the Pilot Program and, at a minimum, establish three leasehold common interest agricultural community projects on selected lands;
- (3) Requiring that lands in the Pilot Program be leased rather than allowing for the lease or sale of the land;
- (4) Requiring county review of leasehold common interest agricultural community projects to ensure and verify that the projects meet all applicable state laws and county ordinances, as well as the requirements of the Pilot Program;
- (5) Requiring the developer of a leasehold common interest agricultural community project to work with the county fire department to develop emergency access and fire safety plans for the project;
- (6) Explicitly authorizing county agencies charged with the administration of land use and county zoning ordinances



to conduct inspections of a leasehold common interest agricultural community project, or a farm parcel or parcels within a project, for conformance to state laws, county ordinances, and the requirements of the Pilot Program, and requiring the developer or farm parcel lessee to pay a maximum of \$500 for the inspection;

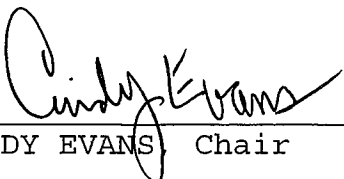
- (7) Specifying that the association of farm lessees be named the Farm Parcel Lessees' Association;
- (8) Repealing the Pilot Program on June 30, 2023;
- (9) Changing its effective date to July 1, 2012, to facilitate further discussion; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business and Water & Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1177, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1177, S.D. 1, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Economic
Development & Business and
Water & Land,



RYAN I. YAMANE, Chair



CINDY EVANS, Chair



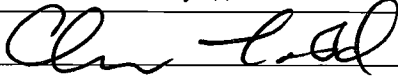
Record of Votes of the Committee on Economic Development & Business

Bill/Resolution No.: SB 1177 SD1	Committee Referral: EDB/WAL, FIN	Date: 3/16/18		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. EVANS, Cindy (C)	/			
2. KEOHOKALOLE, Jarrett (VC)	/			
3. HOLT, Daniel	/			
4. ICHIYAMA, Linda	/			
5. JOHANSON, Aaron Ling				/
6. YAMASHITA, Kyle T.	/			
7. MATSUMOTO, Lauren Kealohilani	/	✓		
TOTAL (7)	5	1		1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small style="margin-left: 100px;">committee acronym(s)</small>				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				

State of Hawaii
House of Representatives
The Twenty-ninth Legislature

HSCR 1443-1B

Record of Votes of the Committee on Water & Land

Bill/Resolution No.: SB 1177 SD1	Committee Referral: EDB/WAL, FIN	Date: 03/16/2018		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
WAL Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMANE, Ryan I. (C)	✓			
2. TODD, Chris (VC)	✓			
3. CULLEN, Ty J.K.	✓			
4. KONG, Sam Satoru	✓			
5. LEE, Chris	✓			
6. LOWEN, Nicole E.				✓
7. McKELVEY, Angus L.K.				✓
8. THIELEN, Cynthia		✓		
TOTAL (8)	5	1	0	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____ <div style="text-align: center; font-family: cursive; font-size: 1.5em; margin-top: 5px;">  </div>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				