

STAND. COM. REP. NO.

682

Honolulu, Hawaii

MAR 03 2017

RE: S.B. No. 708
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 708, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURAL LAND,"

begs leave to report as follows:

The purpose and intent of this measure is to prohibit:

- (1) The creation of a condominium property regime on agricultural land twenty-five acres or greater;
- (2) A condominium property regime on agricultural land from being amended to allow a single-family dwelling;
- (3) The subdivision of agricultural land twenty-five acres or greater for the purpose of creating a condominium property regime; and
- (4) Any project consisting of single-family dwellings created as a condominium or a planned community association in class A or B agricultural lands.

Your Committee received testimony in support of this measure from the Department of Agriculture, Americans for Democratic Action - Hawai'i, Sierra Club of Hawai'i, and ten individuals. Your Committee received testimony in opposition to this measure from the Office of Planning; Hawaii Cattlemen's Council, Inc.;



Ponoholo Ranch Ltd; Larry Jefts Farms, LLC; Kukaiiau Ranch LLC; Maui Cattle Company, LLC; Land Use Research Foundation of Hawaii; and five individuals. Your Committee received comments on this measure from the Land Use Commission.

Your Committee finds that a condominium property regime is an alternative to the subdivision of a parcel of land. When applied to agricultural land, it can theoretically result in a larger contiguous area available for farming than what would be available under a subdivision. However, without sufficient controls, monitoring, and enforcement, condominium property regimes have resulted in the establishment of "gentleman farms" where farm dwellings are constructed but not connected to a farm or agricultural activity that provides income to the family occupying the dwelling.

Your Committee further finds that there are serious concerns regarding the encroachment of low-density, higher-valued residential uses on Hawaii's agricultural lands. However, according to testimony received by your Committee, a blanket prohibition on the use of condominium property regimes on agricultural land to address residential encroachment may eliminate the condominium property regime as an important tool for legitimate farmers. Agricultural condominium property regimes can lower costs to farmers, farm cooperatives, or other farm entities by making it easier to access agricultural lands and reducing the cost of agricultural infrastructure and operations. Amendments to this measure are therefore necessary to ensure that large-scale agriculture remains viable in the State.

Accordingly, your Committee has amended this measure by:

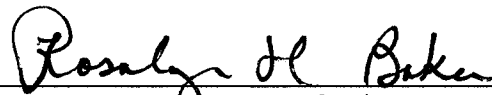
- (1) Specifying that the prohibitions on creation of condominium property regimes shall only apply in any county where one-third or less of the county's land is classified in the state agricultural district; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the



intent and purpose of S.B. No. 708, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 708, S.D. 2.

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



ROSALYN H. BAKER, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:* SB 708, SD 1	Committee Referral: AEN, CPH	Date: 2/28/17		
<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
BAKER, Rosalyn H. (C)	✓			
NISHIHARA, Clarence K. (VC)	✓			
CHANG, Stanley	✓			
ESPERO, Will	✓			
IHARA, Jr., Les	✓			
KIDANI, Michelle N.	✓			
RUDERMAN, Russell E.				✓
TOTAL	6			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center;"><i>Clarence K. Nishihara</i></div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes