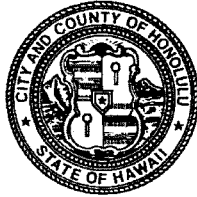


DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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ACTING DIRECTOR

TIMOTHY F. T. HIU
DEPUTY DIRECTOR

EUGENE H. TAKAHASHI
DEPUTY DIRECTOR

February 28, 2018

The Honorable Donovan M. Dela Cruz, Chair
and Members of the Committee on Ways and Means
Hawaii State Senate
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

LATE

Dear Chair Dela Cruz and Committee Members:

Subject: Senate Bill 481, SD 1 and Proposed SD 2
Relating to Important Agricultural Lands

The Department of Planning and Permitting **supports** Senate Bill No. 481, SD 1, but **opposes** Proposed SD 2 that adds the definition of a "landowner."

The proposed grants-in-aid provision in SD 1 would fund or reimburse the counties for the mapping of important agricultural lands (IAL) and further assist the City and County of Honolulu's efforts to comply with Act 183 (2005), which requires the counties to map and identify IAL. We have been making a good-faith effort to comply with the mandate of this State law, despite having received no State funding. We expect to have our IAL map completed and sent to the City Council for consideration this year.

Senate Bill No. 841, Proposed SD 2, however, appears to replace SD 1 with a new definition of "landowner," which would include tenants as landowners. We are concerned about this implication for the county IAL designation process. Sec. 205-47, HRS, requires us to "notify each owner of those lands." We assume that this language is equivalent to "landowner." Therefore, we would be responsible not only to notify landowners, but all their tenants. We do not have such a database. Consequently, we would be concerned that our IAL proposals could be opposed on a technicality that we did not notify all tenants. We would suggest that perhaps a definition of "farmer" would be more helpful, in that Chapter 205, Part III, makes several references to "a farmer or landowner," e.g. Section 205-45.

The Honorable Donovan M. Dela Cruz, Chair
and Members of the Committee on Ways and Means
Hawaii State Senate
February 28, 2018
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To sum, please move forward Senate Bill No 481, SD 1, and defer SD 2.

Thank you for this opportunity to testify.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kathy Sokugawa". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kathy Sokugawa
Acting Director



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LATE

February 28, 2018

HEARING BEFORE THE
SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY ON SB 481, Proposed SD1
RELATING TO THE IMPORTANT AGRICULTURAL LANDS

Room 211
10:30 AM

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

I am Randy Cabral, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,900 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interests of our diverse agricultural community.

HFB provides comment for SB 481, proposed SD1, which adds the definition of "landowner" to the provisions relating to the identification and designation of important agricultural lands.

Since the enactment of the Constitutional Mandate in 1978 to preserve and protect Important Agricultural Lands (IAL), HFB came before the Legislature every year with proposals of how this measure could be implemented. It was only in 2005 when the standards and criteria to designate IAL was finally passed and in 2008 when the incentives were passed.

The incentives were intended to reward investments in infrastructure – improvements to irrigation system and other basic infrastructure, construction of value added facilities, or construction of irrigation water storage facilities were among the qualified agriculture expenditures that were deemed needed for viable operations. The structure of the incentive as a tax credit for only a percentage of costs forces serious investments vs. those that do it just to get a tax credit. Also, being that it is a tax credit requires that the applicant is paying taxes so most likely a viable business endeavor.

If the intent of this measure is to allow tenants on state land classified as IAL the ability to utilize IAL incentives, then we suggest the new definition of "landowner" be changed from "tenants of a private landowner or owner of public lands" be replaced with "tenants of state lands".

Thank you for this opportunity to provide our opinion on this important matter.