

Honolulu, Hawaii

, 2019

APR 05

RE: S.B. No. 1167
S.D. 1
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1167, S.D. 1, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to support the growth of diversified agriculture on Department of Agriculture (DOA) lands by:

- (1) Establishing within the DOA an Agriculture Enterprise Program (Program), separate and distinct from the Agricultural Park and Non-agricultural Park programs, to:
 - (A) Allow DOA, by itself or in partnership with public and private partners, and its qualifying lessees to plan, design, construct, operate, manage, maintain, repair, demolish, and remove infrastructure or improvements on any DOA land; and
 - (B) Upon mutual agreement and approval by the Board of Agriculture and Board of Land and Natural Resources, allow DOA to accept the transfer and manage qualifying agricultural enterprises and



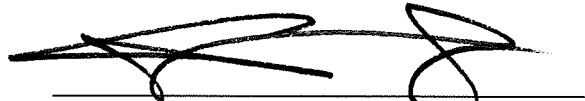
agricultural enterprise lands from DLNR, including related assets and position counts;

- (2) Establishing the Agricultural Enterprise Special Fund to house funds collected from agricultural enterprises and agricultural enterprise lands to be expended for purposes of this program;
- (3) Authorizing the dispositions of the lands and enterprises under the Program to qualifying lessees by negotiation, drawing of lots, conversion, or public action not subject to restrictions on the disposition of public lands under the jurisdiction of the Department of Land and Natural Resources;
- (4) Establishing rights, requirements, and obligations for institutional lenders in the event of a Program lessee's default, bankruptcy, or foreclosure; and
- (5) Appropriating funds to DOA for the planning, design, construction, operation, management, maintenance, repair, demolition, and removal of infrastructure on lands under its jurisdiction to support and promote agriculture.

The Department of Taxation and Hawaii Farm Bureau testified in support of this measure. DOA provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1167, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



