

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

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DEPARTMENT OF AGRICULTURE
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**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE HOUSE COMMITTEE ON FINANCE

**MARCH 29, 2019
2:00 P.M.
CONFERENCE ROOM 308**

**SENATE BILL NO. 1167 SD1 HD1
RELATING TO AGRICULTURAL ENTERPRISES**

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 1167 SD1 HD1 relating to agricultural enterprises. This bill establishes a new agricultural enterprise program within the Hawaii Department of Agriculture, establishes the Agricultural Enterprise Special Fund, and makes an appropriation. The Department strongly supports this measure.

This bill is intended to allow agricultural enterprises on lands under the jurisdiction of the Department. The Department's Agricultural Park program and the Non-Agricultural Park program focus on actual, physical farming activity on the land. Limited ancillary activity is allowed only under very narrow conditions and circumstances. Moreover, strict eligibility requirements as a bonafide farmer must be met to hold any long-term lease under both programs. However, the agricultural industry must adapt to rapid developments in technology and methodology in agriculture and aquaculture to attain the food sustainability goals of the State. The Department needs flexibility in its disposition of public lands to support those changing conditions by allowing and encouraging the use of innovative agricultural models to optimize productivity, supporting and promoting agriculture through farmers markets, food hubs and processing facilities, animal feed mills, etc., and enabling or providing agricultural educational training. The business of agriculture is far broader than simply the growing



of an organism. This program recognizes that the business of agriculture is just as important to the growth of agriculture as the production of the crop itself.

The original version of measure included the establishment of funding for the following three (3) new positions within the Agricultural Resource Management Division of the Department: one full-time equivalent (1.0 FTE) engineer V position (SR26); one full-time equivalent (1.0 FTE) property manager V position (SR24); and one full-time equivalent (1.0 FTE) information technology (Band C) position (SR24). The Department believes the additional positions are critical to effectively implement the program and ensure that it can properly address the production needs of the State's numerous small farmers and meet our food sustainability goals.

The Department respectfully recommends the following amendments:

1. Reinstate the three positions and funding of \$600,000 contemplated in the original version of the measure;
2. Appropriate \$600,000 as seed and development funding for establishment and initial operation of the program; and
3. Change the effective date to July 1, 2019

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR

JOSH GREEN M.D.
LIEUTENANT GOVERNOR



LINDA CHU TAKAYAMA
DIRECTOR

DAMIEN A. ELEFANTE
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To: The Honorable Sylvia Luke, Chair
and Members of the House Committee on Finance

Date: Friday, March 29, 2019
Time: 2:00 P.M.
Place: Conference Room 308, State Capitol

From: Linda Chu Takayama, Director
Department of Taxation

Re: S.B. 1167, S.D. 1, H.D. 1, Relating to Agricultural Enterprises

The Department of Taxation supports S.B. 1167, S.D. 1, H.D. 1, an Administration measure, defers to the Department of Agriculture on the merits of the bill, and offers the following comments for the Committee's consideration.

S.B. 1167, S.D. 1, H.D. 1, among other things, requires the lessee or permittee of agricultural enterprise lands and agricultural enterprises at the time of transfer to have fully paid their State taxes. The bill has a defective effective date of July 1, 2150.

The Department of Taxation will be able to issue a tax clearance to the lessee or permittee of the agricultural enterprise lands and agricultural enterprises as an evidence of their compliance with State taxes.

Thank you for the opportunity to provide testimony in support of this measure.

SB-1167-HD-1

Submitted on: 3/28/2019 6:05:50 AM

Testimony for FIN on 3/29/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Miyamoto	Hawaii Farm Bureau	Support	Yes

Comments: