

Honolulu, Hawaii

February 15, 2019

RE: H.B. No. 1326
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 Water, Land, & Hawaiian Affairs, to which was referred H.B. No. 1326 entitled:

"A BILL FOR AN ACT RELATING TO WATER RIGHTS,"

begs leave to report as follows:

The purpose of this measure is to address the disposition of revocable water permit applications by:

- (1) Amending Section 171-58, Hawaii Revised Statutes, to:
 - (A) Remove the three-year maximum time limit for holdovers of revocable water leases pending final resolution of an application for disposition of water rights; and
 - (B) Require that contested cases for one-year holdovers be expedited;
- (2) Requiring the Department of Land and Natural Resources to submit annual reports regarding applications for the disposition of water rights; and
- (3) Making the availability of holdovers pending final resolution, established by Act 126, Session Laws of Hawaii 2016, as amended by this measure, permanent.



The Department of Agriculture, County of Kaua'i, Maui Fire Department, Kaua'i Island Utility Cooperative, Kaua'i Chamber of Commerce, Hawaii Agriculture Research Center, Mahi Pono, Hawai'i Farm Bureau, Land Use Research Foundation of Hawaii, Ka'u Soil and Water Conservation District, Hawaii Coffee Association, MauiGrown Coffee, Inc., Grove Farm Company, Inc., Kauai Backcountry Adventures, Mountain House Agricultural Water Cooperative, Hawaii Crop Improvement Association, East Kauai Water Users' Cooperative, Saiva Siddhanta Church, Kalepa Koalition, Maui Cattle Company, Go Maui, Inc., and a few individuals supported this measure. The Office of Hawaiian Affairs, Aha Moku Advisory Committee, Sierra Club of Hawai'i, Council for Native Hawaiian Advancement, Na Kupuna Moku O Keawe, Ka Lāhui Hawai'i Political Action Committee, Hui O Malama Aina, LLC, Hui o Nā Wai 'Ēhā, 'Ai Pohaku, Kihei Community Association, Our Revolution Hawaii, A'a Li'i Farm, Animal Rights Hawai'i, Free Access Coalition, Kauai Organic AgroecoSystems, Good Food Movement, Hawai'i Alliance for Progressive Action, Young Progressives Demanding Action, Greener Hawaii, Legislation Committee of the Hawaii County Democratic Party, Environmental Caucus of the Democratic Party of Hawaii, O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, Kanalani Ohana Farm, and many individuals submitted testimony in opposition to this measure. The Department of Land and Natural Resources; PermacultureMaui; Maui Tomorrow Foundation, Inc.; Khandro Farms; Kia'i Wai 'o Wai'ale'ale; and a few individuals submitted comments on this measure.

Your Committee has amended this measure by:

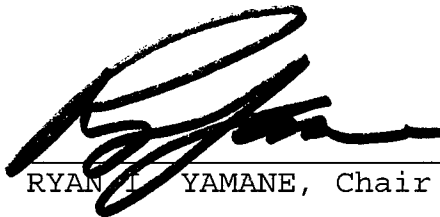
- (1) Deleting new language directing that contested case hearings on holdovers be expedited;
- (2) Extending the repeal and reenactment provisions of Act 126 (2016) by seven years from June 30, 2019, to June 30, 2026, thereby preserving the availability of holdovers up to a maximum of three years pending final resolution of an application for water rights disposition;
- (3) Making conforming amendments to the reporting provision of Act 126 (2016);



- (4) Changing its effective date to July 1, 2050 to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1326, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1326, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Water, Land, &
Hawaiian Affairs,



RYAN T. YAMANE, Chair



