

STAND. COM. REP. NO.

3245

Honolulu, Hawaii

FEB 28 2020

RE: S.B. No. 3114  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 3114, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Give preference rights for an agricultural park lot and a non-agricultural park land lease to lessees who have made a significant improvement to the land that furthers commercial agricultural operations;
- (2) Add the same preference for a non-agricultural park land lease as those for agricultural park lot lease; and
- (3) Require the Department of Agriculture to define "significant improvement" in administrative rules.

Your Committee received testimony in support of this measure from the Hawai'i Farm Bureau, Hawaii Aquaculture and Aquaponics Association, and two individuals. Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds that an emerging trend in modern agriculture is controlled environmental production, as well as on-site cold storage and value-added processing, to address



environmental sustainability and consumer demands. The maximization of production and revenue potential of local farms can require significant reinvestments in the property. However, when the time comes to submit applications to renew a lease, these self-financed improvements made by current lessees are given no preference rights over other applicants, which discourages lessees from using their own funds to make improvements near the end of a lease term.

Your Committee notes that allowing a preference for current state agricultural leases is important for Hawaii's farmer-lessees who want to renew their leases of state agricultural lands as many have invested substantial funds and efforts over their lease term to make improvements on the property for purposes of establishing and growing their businesses. This measure provides important preference rights to support Hawaii's goal of increased local food production and food security.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3114, S.D. 1, and recommends that it pass Third Reading.

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



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KARL RHOADS, Chair



The Senate  
 Thirtieth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Judiciary**  
**JDC**

Bill / Resolution No.:* <b>SB 3114 SD1</b>	Committee Referral: <b>WTL/AEN, JDC</b>	Date: <b>2/27/2020</b>		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
<b>Members</b>	<b>Aye</b>	<b>Aye (WR)</b>	<b>Nay</b>	<b>Excused</b>
RHOADS, Karl (C)	/			
KEOHOKALOLE, Jarrett (VC)	/			
GABBARD, Mike	/			
KIM, Donna Mercado	/			
FEVELLA, Kurt				/
<b>TOTAL</b>	<b>4</b>			<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<b>Distribution:</b> Original             Yellow             Pink             Goldenrod File with Committee Report             Clerk's Office             Drafting Agency             Committee File Copy				

\*Only one measure per Record of Votes