

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 AGRICULTURE

**MARCH 20, 2019
9:00 A.M.
CONFERENCE ROOM 312**

**SENATE BILL NO. 1167 SD 1
RELATING TO AGRICULTURAL ENTERPRISES**

Chairperson Creagan and Members of the Committee:

Thank for the opportunity to testify on Senate Bill 1167 SD1 relating to agricultural enterprises. This bill establishes a new agricultural enterprise program within the Hawaii Department of Agriculture 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 Ag Park program and the Non-Ag 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;
3. Clarify the Agribusiness Development Corporation's authority to disallow proposed actions under this program by revising Section -3(b) as follows:
 - “(b) The agribusiness development corporation may disallow any action taken pursuant to subsection (a) that it determines will conflict or interfere with its scope of responsibilities, or is more appropriately conducted by the agribusiness development corporation, provided:
 1. The agribusiness development corporation shall notify the department of any disallowance in writing within sixty days of receiving notice from the department;
 2. Tenant financed improvements under this program shall not be subject to disallowance;
 3. Upon disallowance, the agribusiness development corporation shall assume the development rights and obtain management jurisdiction to build the improvements contemplated by the action and commence construction within three years from the date of disallowance; and

4. Development rights and management jurisdiction for the action shall revert to the department if the agribusiness development corporation has not commenced construction within three years of the date of disallowance.

Upon receipt of the agribusiness development corporation's notice of disallowance, the department shall desist from taking action, subject to the conditions above.”

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 Richard P. Creagan, Chair
and Members of the House Committee on Agriculture

Date: Wednesday, March 20, 2019
Time: 9:00 A.M.
Place: Conference Room 312, State Capitol

From: Linda Chu Takayama, Director
Department of Taxation

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

The Department of Taxation supports S.B. 1167, S.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, 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, 2050.

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-SD-1

Submitted on: 3/19/2019 8:39:12 AM

Testimony for AGR on 3/20/2019 9:00:00 AM

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

Comments:

SB-1167-SD-1

Submitted on: 3/14/2019 11:07:46 AM

Testimony for AGR on 3/20/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sarah Styan	Individual	Support	No

Comments:

Dear Chair Creagan, Vice Chair DeCoite, & members of the committee:

I strongly support SB1167 SD1.

In addition to supporting this SB1167 SD1, I request that the original bill language be reinserted, specifically authorizing the requested positions, funding for those positions, and seed funding to initiate the program.

Mahalo for this opportunity to provide testimony on this matter.