

STAND. COM. REP. NO. **607**

Honolulu, Hawaii

FEB 19 , 2021

RE: H.B. No. 1014

H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1014, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AUTHORIZING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO LEASE PASTURE LANDS ON TERMS THAT PROMOTE COLLABORATIVE BENEFICIAL USE FOR FORESTRY, WILDLIFE, RECREATIONAL, AND FOOD PRODUCTION PURPOSES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Give priority to the Department of Land and Natural Resources to use land that was transferred for productive agricultural uses, subject to certain conditions;
- (2) Require a third-party advisory committee to be established before the disposition or transfer of any disputed lands; and
- (3) Authorize the Board of Land and Natural Resources to amend and extend existing pasture leases and to issue new pasture leases by negotiation in furtherance of public purposes the Department of Land and Natural Resources is responsible for promoting.



Your Committee received testimony in opposition to this measure from the Kapapala Ranch. Your Committee received comments on this measure from the Department of Land and Natural Resources; Department of Agriculture; Ulupono Initiative; Hawai'i Farm Bureau; Hawaii Cattlemen's Council, Inc.; and Climate Protectors Hawaii.

Your Committee finds that under chapter 166E, Hawaii Revised Statutes (chapter 166E), the Department of Land and Natural Resources is permitted to transfer certain state lands to the Department of Agriculture. This has led to the transfer of 18,491 acres. However, chapter 166E does not mandate the transfer; rather the Department of Land and Natural Resources and Department of Agriculture are to reach a mutual agreement on whether the lands are appropriate for transfer, which has stagnated the process of transferring lands.

Your Committee further finds that the Department of Land and Natural Resources has the staffing and expertise to provide for resource management to ensure that lands are not detrimentally managed by lessees. Your Committee further finds that authorizing the Department of Land and Natural Resources to extend and amend pasture leases will allow for greater resource protection and enhancement.

Your Committee has amended this measure by:

- (1) Deleting the provisions that:
 - (A) Gave priority to the Department of Land and Natural Resources to use land that was transferred for productive agricultural uses, subject to certain conditions; and
 - (B) Required a third-party advisory committee to be established before the disposition or transfer of any disputed lands;
- (2) Specifying that food production is one of the responsibilities to be promoted by the Department of Land and Natural Resources through pasture leases;
- (3) Specifying that the Board of Land and Natural Resources, rather than the Chairperson, has the authority to set the lease rent;



- (4) Requiring that an agricultural appraiser be procured to determine the lease rent for an amended lease;
- (5) Specifying that any person with a lease be compensated for the present value of all capital assets located on the property at the time of a lease withdrawal; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1014, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1014, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,


AARON LING JOHANSON, Chair



