

STAND. COM. REP. NO. **482**-22

Honolulu, Hawaii

FEB 17 , 2022

RE: H.B. No. 1705
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1705 entitled:

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

begs leave to report as follows:

The purpose of this measure is to allow the Department of Agriculture to extend the lease of any agricultural park lessee who holds a lease with a remaining term of fifteen years or less; provided that the land covered by the lease is twenty-five acres or less and located in a county with a population of less than five hundred thousand.

Your Committee received testimony in support of this measure from the Hawai'i Farm Bureau, Land Use Research Foundation of Hawaii, Panaewa Foliage, and two individuals. Your Committee received testimony in opposition to this measure from the Department of Agriculture.

Your Committee finds that the success of farmers is critical to the State's goal to double local food production. Through the Department of Agriculture, agriculture and agricultural production are advanced through the leasing of public lands, which make it practical for producers to succeed and provide the State's communities with what they need. The Department of Agriculture's long-term leases make it possible for farmers and ranchers to

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prudently invest in operational and infrastructure improvements on leased land.

However, your Committee further finds that lessees whose leases are close to expiration and whose continued tenancy is uncertain have little incentive to invest in major improvements to their infrastructure and ensure the long-term maintenance of their facilities. This measure will allow the Department of Agriculture to settle those uncertainties by granting extensions.

Your Committee notes that, while the Department of Agriculture appreciated the intent of the measure, the Department expressed its position in its testimony before your Committee that the leasing of public lands should be opened for competition, rather than maintaining the operations of existing lessees. The Department commented that the competition will provide an opportunity to support new farmers and incentivize established farming operations with proven agricultural capabilities and economic viability to scale up and expand their operations. While your Committee appreciates this position and fully agrees that the leasing of public lands should be conducted in a manner to maximize opportunity and use, your Committee notes that this measure does not mandate that the Department of Agriculture grant an extension; this measure merely authorizes such extension at the discretion of the Department.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment 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. 1705, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1705, H.D. 1.



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



AARON LING JOHANSON, Chair



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 1705	Committee Referral: AGR, CPC, FIN	Date: 2/10/22		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)	✓			
2. KITAGAWA, Lisa (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. HAR, Sharon E.	✓			
5. HASHEM, Mark J.	✓			
6. KONG, Sam Satoru	✓			
7. MIZUNO, John M.	✓			
8. MORIKAWA, Dee	✓			
9. ONISHI, Richard H.K.	✓			
10. TARNAS, David A.	✓			
11. MATSUMOTO, Lauren	✓			
TOTAL (11)	11	0	0	0
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <u><i>David Tarnas</i></u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				