Honolulu, Hawaii

FEB 0 9 2022

S.B. No. 2068 RE: S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-First State Legislature Regular Session of 2022 State of Hawaii

Sir:

Your Committees on Water and Land and Agriculture and Environment, to which was referred S.B. No. 2068 entitled:

"A BILL FOR AN ACT RELATING TO LAND MANAGEMENT,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- Repeal requirements for transfers of certain public (1) lands classified for agricultural use by the Department of Land and Natural resources to receive approval from both the Board of Agriculture and the Board of Land and Natural Resources prior to transfers to the Department of Agriculture;
- (2) Require the Department of Agriculture to manage and accept the transfer of certain qualifying nonconservation, non-agricultural park lands; and
- (3) Require the Department of Agriculture to inquire with the Department of Land and Natural Resources, prior to offering a lease, to determine any easements required for the Department of Land and Natural Resources to access its landlocked forest reserves or other Department of Land and Natural Resources assets on the lands subject to the lease.

Your Committees received testimony in support of this measure from the Hawaii Cattlemen's Council, Inc.; Land Use Research Foundation of Hawaii; Kapāpala Ranch; Larry Jefts Farms, LLC; Hawai'i Farm Bureau; Local Food Coalition; Hawaii Coffee Association; and one individual. Your Committees received testimony in opposition to this measure from the Sierra Club of Hawai'i, Hawaii's Thousand Friends, Conservation Council for Hawai'i, Our Revolution Hawaii, Ahahui Malama I Ka Lokahi, and six individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources, Department of Agriculture, The Nature Conservancy, and Ulupono Initiative.

Your Committees find that Act 90, Session Laws of Hawaii 2003 (Act 90), was enacted to transfer certain non-agricultural park lands from the Department of Land and Natural Resources to the Department of Agriculture. In 2021, the Act 90 Working Group, established by Act 139, Session Laws of Hawaii 2021, determined that lands under the Department of Land and Natural Resources used for the primary purpose of agricultural production should be transferred to the Department of Agriculture following the conditions and procedures set out by Act 90, Session Laws of Hawaii 2003. Despite its intent to foster collaborative working relationships between the Department of Land and Natural Resources, Department of Agriculture, and lessees of multi-use agricultural lands, lengthy transfer processes have stalled the transfer of lands utilized for the primary purpose of agricultural production.

This measure will allow for the creation of a collaborative working relationship between the Department of Land and Natural Resources and the Department of Agriculture by repealing requirements for approval from the Board of Land and Natural resources and the Board of Agriculture for certain public lands leased for agricultural use to the Department of Agriculture, with exceptions to easements required by the Department of Land and Natural Resources to access landlocked forest reserves or other assets under the Department of Land and Natural Resources' jurisdiction.

Your Committees have amended this measure by:

- (1) Clarifying that lands classified for agricultural use include all intensive agricultural use, special livestock use, and pasture use lands;
- (2) Requiring lands that are in pasture use by the Department of Land and Natural Resources to be transferred to and managed by the Department of Agriculture;
- (3) Clarifying the transfer of and management of encumbered non-agricultural park lands subject to the suitability of the land for agricultural activities and use as determined and approved by the Board of Agriculture;
- (4) Providing that designated conservation lands not in current agricultural use shall remain under the jurisdiction of the Department of Land and Natural Resources;
- (5) Retaining the Board of Agriculture's authority to determine the manner of transferring non-agricultural park lands;
- (6) Requiring the Department of Agriculture to inquire with the Department of Land and Natural Resources regarding any easements required by the Department of Land and Natural Resources to access landlocked forest reserves or other assets of the Department of Land and Natural resources subject to the lease;
- (7) Deleting section 5 of this measure, thereby retaining the existing Board of Agriculture rulemaking requirements, including eligibility requirements for each disposition and applicant qualifications, to effectuate the purposes of chapter 166E, Hawaii Revised Statutes;
- (8) Deleting section 7 of this measure, thereby retaining existing statutory language on lease restrictions, generally;

- (9) Deleting section 8 of this measure, thereby retaining existing statutory language on disposition of public land leases by negotiation;
- (10) Requiring the Department of Land and Natural Resources to seek approval from the Board of Land and Natural Resources and the Board of Agriculture prior to the removal of any land designated for pasture leases for reforestation or other public purposes;
- (11) Requiring adequate notice of no less than one year to the then-current lessee or permittee, if withdrawal is approved by both boards;
- (12) Clarifying that the Department of Land and Natural Resources Division of Forestry and Wildlife's funded action plan for reforestation purposes shall be realistic; and
- (13) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water and Land and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2068, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2068, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary.

Respectfully submitted on behalf of the members of the Committees on Water and Land and Agriculture and Environment,

MIKE GABBARD, Chair

ORRAINE R. INOUYE, Chair

The Senate Thirty-First Legislature State of Hawai'i

Record of Votes Committee on Water and Land WTL

Bill / Resolution No.:*	Committee Referral: Date:								
5B 2068	WTL/AEN, WAN/JDC 2/4/22								
The Committee is reconsidering its previous decision on this measure.									
If so, then the previous decision was to:									
The Recommendation is:									
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313									
Members		Aye	Aye (WR)	Nay	Excused				
INOUYE, Lorraine R. (C)		X							
KEITH-AGARAN, Gilbert S.C. (VC)					X				
MISALUCHA, Bennette E.					X				
RIVIERE, Gil		X							
FEVELLA, Kurt		` X	ļ						
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TOTAL		3	0	0	2				
Recommendation: Adopted Not Adopted									
Chair's or Designee's Signature:									
Distribution: Original File with Committee Re	Yellow port Clerk's Office		Pink Drafting Agency						

*Only one measure per Record of Votes

The Senate Thirty-First Legislature State of Hawai'i

Record of Votes Committee on Agriculture and Environment AEN

Bill / Resolution No.:* 53 2068	Committee Referral: WTL / AEN, Date: WAMIJD4 Date: 02/07/22								
The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:									
The Recommendation is:									
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313									
Members		Aye	Aye (WR)	Nay	Excused				
GABBARD, Mike (C)									
NISHIHARA, Clarence K. (VC)		/_							
ACASIO, Laura		(h)							
RHOADS, Karl									
FEVELLA, Kurt									
									
TOTAL		3	2						
Recommendation: Adopted Not Adopted									
Chair's or Designee's Signature: Clauence & Deshiher									
Distribution: Original File with Committee Ro	Yellow Pink Goldenrod eport Clerk's Office Drafting Agency Committee File Copy								

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