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SYLVIA LUKE
Lt. Governor



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WRITTEN ONLY

**TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE SENATE COMMITTEES ON JUDICIARY AND WAYS AND MEANS

**THURSDAY, MARCH 28, 2024
9:45 AM
CONFERENCE ROOM 211**

**HOUSE BILL NO. 2505, HOUSE DRAFT 1, SENATE DRAFT 1
RELATING TO LAND USE**

Chairs Rhodes and Dela Cruz, Vice Chairs Gabbard and Moriwaki and Members of the Committees:

Thank you for the opportunity to testify on House Bill 2505, HD1 SD1 that increases the existing fines for violations of Chapter 205 or any related rule and enhances fines for developers and owners of designated Important Agricultural Lands (IAL) who repeatedly use these lands for purposes violative of the IAL law (Chapter 205, Part III), with the exclusion of designated IAL land that have been granted a special use permit. The bill speculates that there may be individuals who "abuse the important agricultural land designation system for its incentives" by using their designated IAL lands "for unintended purposes" (page 2, lines 9-12). The Department of Agriculture (Department) offers comments and has concerns.

The IAL Law does not add another regulatory layer to Chapter 205. Unlike Part I of Chapter 205, the IAL Law is meant to incentivize the existing or potential use of



agricultural lands for agricultural production. IAL designation does not prohibit the landowner or developer from seeking uses and activities permitted in Chapter 205.

The IAL incentive relating to farm dwellings and employee housing (Section 205-45.5) may be affected by this measure, but we are not aware of qualified landowners and/or developers having used this incentive that would be administered by the applicable county.

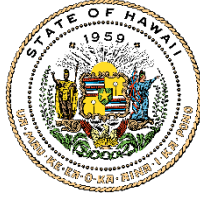
To our knowledge, the only IAL incentive used thus far is the Qualified Agricultural Cost Tax Credit (Tax Credit) (Section 235-110.93). The Department is not aware of any owners or developers on designated IAL land improperly claiming agricultural costs.

The Department is concerned that this measure as written may adversely affect the IAL law and incentives. The threat of substantial fines may cause landowners to reconsider their existing IAL designations depending on the further definition of "...when important agricultural lands are not being used as intended under this chapter...the developers and owners of the important agricultural lands shall be fined:" (Page 3, line 13 to page 4, line 5) (underscored emphasis added) Likewise, landowners considering IAL designation via the voluntary process (Section 205-45) and landowners whose lands have been identified as potential IAL via the county process (Section 205-47) may decline IAL designation because of the uncertainty this measure poses.

Thank you for the opportunity to testify on this measure.

JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



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LAND
STATE PARKS

**Testimony of
DAWN N. S. CHANG
Chairperson**

**Before the Senate Committees on
WAYS AND MEANS
And
JUDICIARY**

**Thursday, March 28, 2024
9:45 AM**

State Capitol, Conference Room 211 and Via Videoconference

**In consideration of
HOUSE BILL 2505 HOUSE DRAFT 1 SENATE DRAFT 1
RELATING TO LAND USE**

House Bill 2505 House Draft 1, Senate Draft 1 proposes to increase the fines for violations of land use laws and imposes enhanced fines for developers and owners of important agricultural lands who repeatedly use the lands for unintended purposes. **The Department of Land and Natural Resources (Department) supports this measure.**

Over 25% of the lands in the state are covered in flammable, nonnative grasses, and much of these lands are fallow agricultural lands. Many agricultural landowners in the state are not actively farming or ranching these lands which leads to abundant hazardous fuel loads that threaten adjacent communities and forested watersheds.

Mahalo for the opportunity to provide testimony in support of this measure.