
A BILL FOR AN ACT

RELATING TO LAND USE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

PART I

GENERAL PURPOSE

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3 SECTION 1. In 1978, voters approved article XI, section 3,
4 of the Constitution of the State of Hawaii, which sets out the
5 framework for state policies to promote agriculture and the
6 conservation of productive agricultural lands in the State.
7 Article XI, section 3, reads as follows:

8 "The State shall conserve and protect
9 agricultural lands, promote diversified agriculture,
10 increase agricultural self sufficiency and assure the
11 availability of agriculturally suitable lands. The
12 legislature shall provide standards and criteria to
13 accomplish the foregoing.

14 Lands identified by the State as important
15 agricultural lands needed to fulfill the purposes
16 above shall not be reclassified by the State or
17 rezoned by its political subdivisions without meeting
18 the standards and criteria established by the



1 legislature and approved by a two-thirds vote of the
2 body responsible for the reclassification or rezoning
3 action."

4 To address the issue of important agricultural lands, Act
5 183, Session Laws of Hawaii 2005 (Act 183), was enacted. Act
6 183 establishes standards, criteria, and mechanisms to identify
7 important agricultural lands and implement the intent and
8 purpose of article XI, section 3, of the Hawaii State
9 Constitution.

10 Act 183 also recognized that while the supply of lands
11 suitable for agriculture is critical, the long-term viability of
12 agriculture also depends on other factors. These factors
13 include:

- 14 (1) Commodity prices;
- 15 (2) Availability of water for irrigation;
- 16 (3) Agricultural research and outreach;
- 17 (4) Application of production technologies;
- 18 (5) Marketing; and
- 19 (6) Availability and cost of transportation services.

20 The purpose of this Act is to provide incentives and
21 protections to establish and sustain viable agricultural
22 operations on important agricultural lands.



1 PART II

2 SECTION 2. Chapter 235, Hawaii Revised Statutes, is
3 amended by adding a new section to be appropriately designated
4 and to read as follows:

5 "§235- Rental income from agricultural leases on
6 important agricultural lands excluded from gross income. (a)
7 In addition to the exclusions in section 235-7, there shall be
8 excluded from gross income, adjusted gross income, and taxable
9 income, rental income, including lease rents, in an amount not
10 to exceed \$ _____ in any taxable year and received by a
11 taxpayer subject to the taxes imposed by this chapter that are
12 derived from agricultural leases on lands identified and
13 designated as important agricultural lands pursuant to part III,
14 chapter 205, for the taxable year the rental income was
15 realized; provided that:

- 16 (1) The minimum length of the initial lease term shall be:
17 (A) Twenty years; or
18 (B) Any other lease term length mutually agreeable to
19 lessor and lessee, if the amount of the lease
20 rent is set by an independent appraisal using the
21 lower of the comparable value or agricultural
22 capitalization appraisal methodologies and the



1 lease arrangement, including the amount of lease
2 rent determined by an appraisal, is reviewed and
3 approved by the department of agriculture; and
4 (2) The lease is in effect and the lessee is continuously
5 and substantially undertaking agribusiness on the
6 leased land, pursuant to chapter 205, as verified by
7 the department of agriculture on a regular basis using
8 a process determined by the department of agriculture;
9 provided that the exclusion shall not apply if the
10 lease is terminated or the department of agriculture
11 determines that the leased land is not continuously
12 and substantially being used for agribusiness.
13 The taxpayer shall be eligible for the exclusion initially for
14 up to twenty years or for the agreed term, whichever the case
15 may be, so long as the initial exclusion is not longer than the
16 original required minimum lease term provided in subsection
17 (a) (1); provided that the time period may be extended for every
18 year the term of the lease is extended; provided further that
19 the assignment of the original lease to another lessee shall be
20 for the time period remaining on the original lease, unless the
21 terms of the lease are renegotiated.



1 (b) Each taxpayer who claims the exclusion under this
2 section shall provide annually to the department of agriculture
3 any information determined by the department of agriculture to
4 be necessary to enable an aggregated quantitative and
5 qualitative assessment of the impact of the exclusion. The
6 taxpayer shall provide the information in a manner prescribed by
7 the department of agriculture.

8 (c) For the purposes of this section:
9 "Agribusiness" means a business licensed for the
10 production, processing, and sale of products from the
11 cultivation of crops, propagation of fish or game, or raising of
12 livestock."

13 SECTION 3. Section 237-24.75, Hawaii Revised Statutes, is
14 amended to read as follows:

15 **"§237-24.75 Additional exemptions.** In addition to the
16 amounts exempt under section 237-24, this chapter shall not
17 apply to:

- 18 (1) Amounts received as a beverage container deposit
19 collected under chapter 342G, part VIII;
- 20 (2) Amounts received by the operator of the Hawaii
21 convention center for reimbursement of costs or



1 advances made pursuant to a contract with the Hawaii
2 tourism authority under section 201B-7[+]; [~~and~~
3 +] (3) Amounts received[+] by a professional employment
4 organization from a client company equal to amounts
5 that are disbursed by the professional employment
6 organization for employee wages, salaries, payroll
7 taxes, insurance premiums, and benefits, including
8 retirement, vacation, sick leave, health benefits, and
9 similar employment benefits with respect to assigned
10 employees at a client company; provided that this
11 exemption shall not apply to a professional employment
12 organization upon failure of the professional
13 employment organization to collect, account for, and
14 pay over any income tax withholding for assigned
15 employees or any federal or state taxes for which the
16 professional employment organization is responsible.
17 As used in this paragraph, "professional employment
18 organization", "client company", and "assigned
19 employee" shall have the meanings provided in section
20 373K-1 [~~-~~]; and
21 (4) Rental income, including lease rents, in an amount not
22 to exceed \$ _____ in any taxable year and derived



1 from agricultural leases on lands identified and
2 designated as important agricultural lands pursuant to
3 part III, chapter 205, for the taxable year the rental
4 income was realized; provided that:

5 (A) The minimum length of the initial lease term
6 shall be:

7 (i) Twenty years; or

8 (ii) Any other lease term length mutually
9 agreeable to lessor and lessee, if the
10 amount of the lease rent is set by an
11 independent appraisal using the lower of the
12 comparable value or agricultural
13 capitalization appraisal methodologies;

14 (B) The lease is in effect and the lessee is
15 continuously and substantially undertaking
16 agricultural activity on the leased land,
17 pursuant to chapter 205, as verified by the
18 department of agriculture on a regular basis
19 using a process determined by the department of
20 agriculture; provided that the exemption shall
21 not apply if the lease is terminated or the
22 department of agriculture determines that the



1 leased land is not continuously and substantially
2 being used for agricultural activity; and

3 (C) The taxpayer shall be eligible for the exemption
4 initially for up to twenty years and for every
5 year the term of the lease is extended; provided
6 further that the assignment of the original lease
7 to another lessee shall be for the time period
8 remaining on the original lease, unless the terms
9 of the lease are renegotiated."

10 SECTION 4. There is appropriated out of the general
11 revenues of the State of Hawaii the sum of \$ or so
12 much thereof as may be necessary for fiscal year 2008-2009 for
13 the department of agriculture to collect and analyze data to
14 make an aggregated quantitative and qualitative assessment of
15 the impact of the exclusion of rental income from important
16 agricultural lands from income and general excise taxation.

17 The sum appropriated shall be expended by the department of
18 agriculture for the purposes of this part.

19 SECTION 5. The department of agriculture shall submit to
20 the legislature an annual report, no later than twenty days
21 prior to the convening of each regular session, beginning with
22 the regular session of 2010, regarding the quantitative and



1 qualitative assessment of the impact of the exclusion of rental
2 income from important agricultural lands from income and general
3 excise taxation.

4 PART III

5 SECTION 6. Chapter 235, Hawaii Revised Statutes, is
6 amended by adding a new section to be appropriately designated
7 and to read as follows:

8 "§235- Important agricultural lands real property tax
9 credit. (a) There shall be allowed to each taxpayer, subject
10 to the taxes imposed by this chapter, an important agricultural
11 lands real property tax credit that shall be deductible from the
12 taxpayer's net income tax liability, if any, imposed by this
13 chapter for the taxable year in which the credit is properly
14 claimed.

15 (b) The amount of the credit shall be equal to per
16 cent of the actual amount of county real property taxes paid by
17 the taxpayer during the taxable year in which real property tax
18 was assessed on lands identified and designated as important
19 agricultural lands pursuant to part III, chapter 205.

20 In the case of a partnership, S corporation, estate, or
21 trust, the amount upon which the credit is computed shall be
22 determined at the entity level.



1 (c) The tax credit shall be allowed only for the entity
2 incurring the actual cost of the real property tax. If the real
3 property tax is part of the lease rent and not otherwise
4 specified in the lease agreement, the lessor shall provide the
5 lessee with the amount equal to the real property tax included
6 as part of the lease rent and paid by the lessee upon the
7 lessee's request.

8 (d) If the classification of the important agricultural
9 lands subject to the credit is redesignated at any time, the
10 credit shall no longer be available. Any credit previously
11 claimed by the taxpayer shall be recaptured in total. The
12 amount of the recaptured tax credit shall be equal to one
13 hundred per cent of the aggregate credits previously claimed and
14 added to the taxpayer's tax liability for the taxable year in
15 which the recapture occurs. There shall be no credit allowed in
16 the taxable year the important agricultural lands are
17 redesignated.

18 (e) If the credit under this section exceeds the
19 taxpayer's tax liabilities owed for the taxable year, the excess
20 of the credits over tax liabilities owed shall be refunded to
21 the taxpayer; provided that the credit properly claimed by the
22 taxpayer who has no income tax liability shall be paid to the



1 taxpayer; and provided further that no refunds or payments on
2 account of the credits allowed by this section shall be made for
3 amounts less than \$1.

4 All claims for a credit under this section shall be filed
5 on or before the end of the twelfth month following the close of
6 the taxable year for which the credit may be claimed. Failure
7 to comply with the foregoing provision shall constitute a waiver
8 of the right to claim the credit.

9 (f) The director of taxation shall prepare forms that may
10 be necessary to claim a credit under this section. The director
11 may also require the taxpayer to furnish information to
12 ascertain the validity of the claim for credit made under this
13 section by rule pursuant to chapter 91.

14 (g) The tax credit allowed under this section shall be
15 available for taxable years beginning after December 31, 2008,
16 and shall not be available for taxable years beginning after
17 December 31, 2018.

18 (h) Taxpayers claiming the credit under this section shall
19 provide prescribed information to the department of agriculture
20 on an annual basis, upon request, that will enable a
21 quantitative and qualitative assessment of the impact of the tax



1 credit to be determined. The assessment shall be available to
2 the public.

3 The department of agriculture shall determine on an annual
4 basis if the important agricultural land subject to the credit
5 is in productive agricultural use based on a ten year farm plan
6 submitted to and approved by the department."

7 SECTION 7. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$ or so
9 much thereof as may be necessary for fiscal year 2008-2009 for
10 the department of agriculture to collect and analyze data to
11 make an aggregated quantitative and qualitative assessment of
12 the full impact of the important agricultural lands tax credit.

13 The sum appropriated shall be expended by the department of
14 agriculture for the purposes of this part.

15 PART IV

16 SECTION 8. Chapter 205, Hawaii Revised Statutes, is
17 amended by adding a new section to part III to be appropriately
18 designated and to read as follows:

19 "§205- Important agricultural land; residential housing.

20 A landowner of lands qualifying under section 205-44 may
21 develop, construct, and maintain residential dwelling units for
22 farmers, employees, and their families; provided that:



- 1 (1) The farmers' dwelling units shall be used exclusively
2 by farmers and their immediate family members who
3 actively and currently farm on the designated
4 important agricultural land upon which the dwelling is
5 situated; provided that the immediate family members
6 of a farmer may live in separate dwelling units
7 situated on the same designated land as the farmer's
8 family's dwelling unit;
- 9 (2) The employee dwelling units shall be used exclusively
10 by employees and their immediate family members who
11 actively and currently work on the designated
12 important agricultural land upon which the dwelling is
13 situated; provided that the immediate family members
14 of the employee shall not live in separate dwelling
15 units and shall live with the employee;
- 16 (3) The total land area upon which the combined total of
17 farmer and employee dwelling units and all
18 appurtenances are situated shall not occupy more than
19 twenty per cent of the total important agricultural
20 land area controlled by the farmer or the employee's
21 employer;



- 1 (4) The farmers' and employee dwelling units meet all
- 2 applicable building code requirements;
- 3 (5) Notwithstanding section 205-4.5(a)(12), the landowner
- 4 shall not plan or develop a residential subdivision on
- 5 the designated important agricultural land; and
- 6 (6) The plans for farmers' and employee dwelling units
- 7 shall be supported by agricultural plans that are
- 8 approved by the department of agriculture."

PART V

10 SECTION 9. Tax incentives are a critical component of the

11 long-term viability of agriculture on important agricultural

12 lands in the State. The legislature finds that it is in the

13 public's interest to assist agricultural businesses in

14 establishing and sustaining viable agricultural operations on

15 important agricultural lands by providing incentives such as

16 income tax credits.

17 The purpose of this part is to establish an important

18 agricultural land tax credit to establish and sustain viable

19 agricultural operations on important agricultural lands.

20 SECTION 10. Chapter 235, Hawaii Revised Statutes, is

21 amended by adding a new section to be appropriately designated

22 and to read as follows:



1 "§235- Important agricultural lands agricultural
2 business tax credit. (a) There shall be allowed to each
3 taxpayer an important agricultural lands agricultural business
4 tax credit, which shall be deductible from the taxpayer's net
5 income tax liability, if any, imposed by this chapter for the
6 taxable year in which the credit is properly claimed. The tax
7 credit shall be as follows:

8 (1) In the year the qualified agricultural costs are made,
9 fifty per cent of the qualified agricultural costs up
10 to a maximum of _____ ;

11 (2) In the first year following the year in which the
12 qualified agricultural costs are made, twenty per cent
13 of the qualified agricultural costs up to a maximum
14 of _____ ;

15 (3) In the second year following the year in which the
16 qualified agricultural costs are made, ten per cent of
17 the qualified agricultural costs up to a maximum
18 of _____ ;

19 (4) In the third year following the year in which the
20 qualified agricultural costs are made, ten per cent of
21 the qualified agricultural costs up to a maximum
22 of _____ ; and



1 (5) In the fourth year following the year in which the
2 qualified agricultural costs are made, ten per cent of
3 the qualified agricultural costs up to a maximum
4 of _____.

5 (b) No other credit may be claimed under this chapter for
6 the qualified agricultural costs for which a credit is claimed
7 under this section for the taxable year.

8 (c) The amount of the qualified agricultural costs
9 eligible to be claimed under this section shall be reduced by
10 the amount of funds received by the taxpayer during the taxable
11 year from the irrigation repair and maintenance special fund
12 under section 167-24.

13 (d) The cost upon which the tax credit is computed shall
14 be determined at the entity level. In the case of a
15 partnership, S corporation, estate, trust, or other pass through
16 entity, distribution and share of the credit shall be determined
17 pursuant to section 235-110.7(a).

18 If deduction is taken under section 179 (with respect to
19 election to expense depreciable business assets) of the Internal
20 Revenue Code, no tax credit shall be allowed for that portion of
21 the qualified agricultural cost for which the deduction is
22 taken.



1 The basis of eligible property for depreciation or
2 accelerated cost recovery system purposes for state income taxes
3 shall be reduced by the amount of credit allowable and claimed.
4 No deduction shall be allowed for that portion of otherwise
5 deductible qualified agricultural costs on which a credit is
6 claimed under this section.

7 (e) If the credit under this section exceeds the
8 taxpayer's net income tax liability for the taxable year, the
9 excess of the credit over liability shall be refunded to the
10 taxpayer; and provided that no refunds or payments on account of
11 the credits allowed by this section shall be made for amounts
12 less than \$1.

13 All claims for a tax credit under this section, including
14 amended claims, shall be filed on or before the end of the
15 twelfth month following the close of the taxable year for which
16 the credit is claimed. Failure to comply with the foregoing
17 provision shall constitute a waiver of the right to claim the
18 credit.

19 (f) The director of taxation shall prepare any forms that
20 may be necessary to claim a credit under this section. The
21 director may also require the taxpayer to furnish information to
22 ascertain the validity of the claim for credit made under this



1 section and may adopt rules necessary to effectuate the purposes
2 of this section pursuant to chapter 91.

3 (g) Prior to claiming the tax credit under this section,
4 the taxpayer may request a letter from the department of
5 agriculture specifying the qualified agricultural costs in the
6 taxable year the tax credit will be claimed. The taxpayer shall
7 provide to the department of agriculture information required by
8 the department of agriculture prior to the issuance of the
9 letter.

10 (h) The department of agriculture, in consultation with
11 the department of taxation, shall determine the types of
12 information that are necessary on an annual basis to enable a
13 quantitative and qualitative assessment of the outcomes of the
14 tax credit to be determined. Every taxpayer, no later than the
15 last day of the taxable year following the close of the
16 taxpayer's taxable year in which qualified costs were incurred,
17 shall submit a written statement to and be certified by the
18 department of agriculture.

19 Any taxpayer failing to submit information to the
20 department of agriculture in the manner prescribed by the
21 department of agriculture prior to the last day of the taxable
22 year following the close of the taxpayer's taxable year in which



1 qualified costs were incurred shall not be eligible to receive
2 the tax credit, and any credit already claimed for that taxable
3 year shall be recaptured in total. The amount of the recaptured
4 tax credit shall be added to the taxpayer's tax liability for
5 the taxable year in which the recapture occurs.

6 Notwithstanding any law to the contrary, a statement
7 submitted under this subsection shall be a public document.

8 (i) On an annual basis, the department of agriculture, in
9 consultation with the department of taxation, shall submit a
10 report evaluating the effectiveness of the tax credit. The
11 report shall include but not be limited to findings and
12 recommendations to improve the effectiveness of the tax credit
13 to further encourage the development of agricultural businesses.

14 (j) As used in this section:

15 "Agricultural business" means any person with a commercial
16 agricultural, silvicultural, or aquacultural facility or
17 operation, including:

18 (1) The care and production of livestock and livestock
19 products, poultry and poultry products, apiary
20 products, and plant and animal production for nonfood
21 uses;



1 (2) The planting, cultivating, harvesting, and processing
2 of crops; and

3 (3) The farming or ranching of any plant or animal species
4 in a controlled salt, brackish, or freshwater
5 environment;

6 provided that it maintains its principal place of business in
7 the State and more than fifty per cent of the land the
8 agricultural business owns or leases, excluding land classified
9 as conservation land, is important agricultural land.

10 "Important agricultural lands" means lands identified and
11 designated as important agricultural lands pursuant to chapter
12 205, part III.

13 "Net income tax liability" means income tax liability
14 reduced by all other credits allowed under this chapter.

15 "Qualified agricultural costs" means expenditures for:

16 (1) The plans, design, engineering, construction,
17 renovation, repair, maintenance, and equipment for:

18 (A) Roads or utilities, primarily for agricultural
19 purposes, for which the majority of the lands
20 serviced by the roads or utilities, excluding
21 lands classified as conservation lands, are
22 important agricultural lands;



- 1 (B) Agricultural processing facilities in the State,
2 primarily for agricultural purposes, that
3 process, harvest, treat, wash, handle, or package
4 a majority of crops or livestock from
5 agricultural businesses;

- 6 (C) Water wells, reservoirs, dams, water storage
7 facilities, water pipelines, ditches, or
8 irrigation systems in the State, primarily for
9 agricultural purposes, for which the majority of
10 the lands serviced by its water, excluding lands
11 classified as conservation lands, are important
12 agricultural lands; and

- 13 (D) Agricultural housing in the State, primarily for
14 agricultural purposes, provided that:
 - 15 (i) The majority of the housing units are
16 occupied by laborers for agricultural
17 businesses and their immediate family
18 members;

 - 19 (ii) The housing units are owned by the
20 agricultural business;

 - 21 (iii) The housing units are in the general
22 vicinity, as determined by the department of



- 1 agriculture, of agricultural lands owned or
- 2 leased by the agricultural business; and
- 3 (iv) The housing units conform to any other
- 4 conditions that may be required by the
- 5 department of agriculture;
- 6 (2) Feasibility studies, regulatory processing, and legal
- 7 and accounting services related to the items under
- 8 paragraph (1); and
- 9 (3) Equipment, primarily for agricultural purposes, used
- 10 to cultivate, grow, harvest, or process agricultural
- 11 products by an agricultural business."

12 SECTION 11. There is appropriated out of the general
 13 revenues of the State of Hawaii the sum of \$ or so
 14 much thereof as may be necessary for fiscal year 2008-2009 to
 15 the department of taxation for the costs to administer the
 16 important agricultural land agricultural business tax credit.

17 The sum appropriated shall be expended by the department of
 18 taxation for the purposes of this part.

19 SECTION 12. There is appropriated out of the general
 20 revenues of the State of Hawaii the sum of \$ or so
 21 much thereof as may be necessary for fiscal year 2008-2009 to
 22 the department of agriculture for the costs to administer the



1 important agricultural land agricultural business tax credit and
2 for one full-time employee planner position for the department
3 of agriculture.

4 The sum appropriated shall be expended by the department of
5 agriculture for the purposes of this part.

6 PART VI

7 SECTION 13. Financing is also a critical component of the
8 long-term viability of agriculture on important agricultural
9 lands in the State. The legislature finds that it is in the
10 public interest to assist agricultural producers in meeting
11 their financing needs for projects that are located in important
12 agricultural lands.

13 The purpose of this part is to further the implementation
14 of Act 183 by authorizing the chairperson of the board of
15 agriculture to guarantee loans relating to agricultural projects
16 located on important agricultural lands.

17 SECTION 14. Chapter 155, Hawaii Revised Statutes, is
18 amended by adding a new section to be appropriately designated
19 and to read as follows:

20 "§155- Loan guaranty; important agricultural lands;
21 agricultural and aquacultural loans. (a) The chairperson of
22 the board of agriculture may guarantee loans made by commercial



1 lenders, authorized to do business in this State, to
2 agricultural producers for the purpose of developing and
3 implementing agricultural projects; provided that the
4 chairperson of the board of agriculture determines that:

5 (1) The agricultural projects are located on lands
6 designated as important agricultural lands pursuant to
7 part III of chapter 205;

8 (2) The commercial lender has completed its due diligence
9 in approving the loan, including ensuring adequate
10 collateral; and

11 (3) After consultation with the director of finance, the
12 State possesses sufficient funds to provide an
13 appropriate reserve for the loan guaranty and which,
14 in the director of finance's judgment, are in excess
15 of the amounts necessary to meet the immediate
16 requirements of the State and will not impede or
17 hamper the fulfillment of the financial obligations of
18 the State.

19 The chairperson of the board of agriculture may impose other
20 conditions that the chairperson deems reasonable to implement
21 the loan guaranty.



1 (b) In addition to the conditions that the chairperson of
2 the board of agriculture may impose under subsection (a), any
3 loan guaranty made pursuant to this section shall meet the
4 following conditions:

5 (1) For a loan that finances operating costs, the maximum
6 term of the loan shall be ten years;

7 (2) For a loan that finances capital improvement costs,
8 the maximum term of the loan shall be twenty years;

9 (3) The interest rate charged on the loan shall be one per
10 cent below the commercial lender's prime rate for as
11 long as the loan guaranty is in effect;

12 (4) The loan guaranty may be up to eighty-five per cent of
13 the outstanding principal amount of the loan, but
14 shall not include any fees or accrued interest
15 associated with the loan or its collection; and

16 (5) The principal amount of the loan shall not exceed
17 \$2,500,000.

18 (c) Pursuant to chapter 91 and in consultation with the
19 director of finance, the chairperson of the board of agriculture
20 shall adopt rules to effectuate the purposes of this section.

21 (d) As used in this section:



1 or provide that any permit application filed under the priority
2 processing procedure shall be automatically approved.

3 (b) As used in this section, "agribusiness" means a
4 business primarily engaged in the care and production of
5 livestock, livestock products, poultry, poultry products, or
6 apiary, horticultural, or floricultural products, or the
7 planting, cultivating, and harvesting of crops or trees."

8 SECTION 16. Chapter 321, Hawaii Revised Statutes, is
9 amended by adding a new section to be appropriately designated
10 and to read as follows:

11 "§321- Agricultural processing facilities; permits;
12 priority. (a) Any applicable agency subject to this chapter or
13 title 19 that issues permits shall establish and implement a
14 procedure for the priority processing of permit applications and
15 renewals, at no additional cost to the applicant, for
16 agricultural processing facilities that process crops or
17 livestock from an agribusiness with a majority of the lands
18 held, owned, or used by the agribusiness, identified and
19 designated as important agricultural lands pursuant to this
20 part, excluding lands held, owned, or used by the agribusiness
21 in the conservation district. Any priority permit processing
22 procedure established pursuant to this section shall not imply



1 or provide that any permit application filed under the priority
2 processing procedure shall be automatically approved.

3 (b) As used in this section, "agribusiness" means a
4 business primarily engaged in the care and production of
5 livestock, livestock products, poultry, poultry products, or
6 apiary, horticultural, or floricultural products, or the
7 planting, cultivating, and harvesting of crops or trees."

8 **PART VIII**

9 SECTION 17. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 18. This Act shall take effect on July 1, 2050;
12 provided that sections 2, 3, 6, and 10 of this Act shall apply
13 to taxable years beginning after December 31, 2050; and provided
14 further that this Act shall be repealed on June 30, 2060, and
15 section 237-24.75, Hawaii Revised Statutes, shall be reenacted
16 in the form in which it read on the day before the effective
17 date of this Act.



Report Title:

Important Agricultural Lands; Tax Incentives

Description:

Provides various tax incentives, establishes rules, residential housing initiatives, and loan guaranty programs that protect and sustain viable agricultural operations on important agricultural lands. (SD1)

