

Honolulu, Hawaii

APR 23 2010 , 2010

RE: S.B. No. 2951
S.D. 2
H.D. 2
C.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2951, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Provide for fair compensation when leased public land for agricultural or pastoral uses is withdrawn, condemned, or taken for public purposes; and
- (2) Establish the Agricultural Inspection and Certification Special Fund, to be used for the inspection and certification of agricultural commodities.

Cattle ranchers on the Big Island suffered serious financial losses as a result of the Saddle Road widening project. The



Department of Land and Natural Resources established a conservation easement on leased land effectively preventing the ranchers from being able to use the leased land for their cattle herds, which required them to reduce their herds at a significant loss. This jeopardized the lessees' entire business models, because the ranchers were unable to mitigate long-term, fixed costs associated with operating a ranch in the way they had anticipated when the lease was negotiated.

Chapter 171, Hawaii Revised Statutes, presently provides for rent reductions if the land withdrawn causes the land to become unusable for the specific use or uses for which it was originally leased. However, the law provides no other method of compensation. The ranchers are required to maintain insurance and pay taxes for land they cannot use for the specific purpose for which it was originally leased.

Your Committee finds that this measure provides fair compensation when easements render the land unusable for the lessees' original intended purposes yet requires them to maintain insurance and pay taxes for land that no longer supports their existing businesses.

Your Committee has amended this measure by:

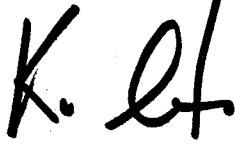
- (1) Reverting to S.B. No. 2951, S.D. 2, which provides for fair compensation when leased public land for agricultural or pastoral uses is withdrawn, condemned, or taken for public purposes; and
- (2) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2951, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2951, S.D. 2, H.D. 2, C.D. 1.

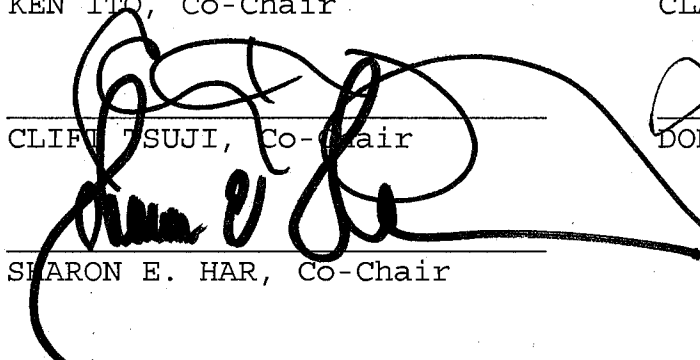


Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE



KEN ITO, Co-Chair



CLIFF TSUJI, Co-Chair

SHARON E. HAR, Co-Chair

ON THE PART OF THE SENATE



CLAYTON HEE, Chair


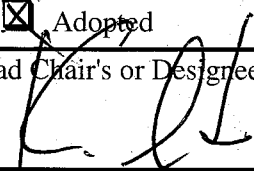


DONNA MERCADO KIM, Co-Chair



Hawaii State Legislature

Record of Votes of a
Conference Committee**133-10**

Bill / Concurrent Resolution No.: SB 2951, SD 2, HD 2					Date/Time: 4/23/10, 9:10 PM				
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).									
<input type="checkbox"/> The Committee is reconsidering its previous decision.									
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
HEE, Clayton, Chr.	/	/			ITO, Ken, Co-Chr.	/	/		
KIM, Donna Mercado, Co-Chr.	/	/			TSUJI, Clift, Co-Chr.	/	/		
KOKUBUN, Russell S.	/	/			HAR, Sharon E., Co-Chr.	/	/		
TAKAMINE, Dwight Y.	/	/			CHOY, Isaac W.	/	/		
HEMMINGS, Fred				/	MARUMOTO, Barbara C.	/	/		
TOTAL	4	/	/	1	TOTAL	5	/	/	1
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused		
Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Senate Lead Chair's or Designee's Signature: 					House Lead Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Conference Committee Report House Clerk's Office Senate Clerk's Office Drafting Agency									