# SB 1283 Testimony



RUSSELL S. KOKUBUN Chairperson, Board of Agriculture

> SCOTT E. ENRIGHT Deputy to the Chairperson

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#### TESTIMONY OF RUSSELL S. KOKUBUN CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON AGRICULTURE

> FEBRUARY 7, 2013, 3:05 P.M. ROOM 229

## SENATE BILL NO. 1283 RELATING TO IRRIGATION

Chair Nishihara and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 1283. The purpose of this bill is to authorize the director of finance to issue general obligation bonds to finance improvements to various irrigation systems. The department supports the intent of this bill.

Irrigation systems are the backbone of Hawaii's agricultural industry. It is critical to ensure the viability of these systems as the push toward food security is made. Many of these aging systems are in need of significant improvements to modernize their collection and delivery systems to reduce water losses and maintenance costs. These funds are necessary to help extend the life of these systems for many decades to come and to continue to move Hawaii toward a more sustainable future.

Thank you for the opportunity to testify.



# TESTIMONY BY KALBERT K. YOUNG DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE STATE OF HAWAII TO THE SENATE COMMITTEE ON AGRICULTURE ON SENATE BILL NO. 1283

February 7, 2013

#### RELATING TO IRRIGATION.

Senate Bill No. 1283 authorizes the director of finance to issue general obligation bonds to finance improvements to various irrigation systems throughout the State.

The Department has technical comments on this bill. Federal tax law requires, among other things, that tax-exempt general obligation bond proceeds be used to finance projects that serve public purposes. As it appears that private entities may derive the benefit from this legislation, tax-exempt general obligation bond proceeds cannot be used for this purpose. The State would need to issue taxable general obligation bonds at a higher cost in order to allow the department of agriculture to provide financing assistance to private entities.

In addition, as public funding for these projects are not in the proposed Executive Budget, the annual debt service of approximately \$470,000 should also be proposed in the Legislature's budget.

Thank you for the opportunity to provide testimony on this measure.

NEIL ABERCROMBIE Governor



JAMES J. NAKATANI Executive Director

STATE OF HAWAII AGRIBUSINESS DEVELOPMENT CORPORATION 235 S. Beretania Street, Room 205 Honolulu, HI 96813 Phone: (808) 586-0186 Fax: (808) 586-0189

#### TESTIMONY OF JAMES J. NAKATANI EXECUTIVE DIRECTOR AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE SENATE COMMITTEE ON AGRICULTURE

Thursday, February 07, 2013 3:05 p.m. Conference Room 229

SENATE BILL NO. 1283 RELATING TO IRRIGATION

Chairperson Nishihara and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 1283 relating to irrigation. This measure seeks to provide funding for improvements to various irrigation systems by allowing the director of finance to issue general obligation bonds. The Agribusiness Development Corporation (ADC) supports this bill.

To ensure that Hawaii's agricultural crops receive a reliable source of water, it is imperative to provide sufficient funding to maintain and improve our State's irrigation systems. Further, ongoing droughts and deferred maintenance have only emphasized the need for the repair of the irrigation systems in Hawaii. This bill would provide the additional funding needed for enhancements and maintenance to certain irrigation systems. ADC respectfully requests that the Committee pass this bill.

Thank you for the opportunity to provide testimony on this measure.



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February 7, 2012

# HEARING BEFORE THE SENATE COMMITTEE ON AGRICULTURE

# TESTIMONY ON SB 1283 RELATING TO IRRIGATION

Room 312 3:05 PM

Chair Nishihara, Vice Chair Kouchi, and Members of the Committee:

I am Dean Okimoto, President of the Hawaii Farm Bureau Federation (HFBF). Organized since 1948, the HFBF is comprised of 1,950 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interest of our diverse agricultural community.

HFBF strongly supports SB 1283 appropriating funds for irrigation systems across the State. This measure is one of HFBF's priority measures and part of a systematic effort to increase access to water by our farmers and ranchers.

Many of these irrigation systems are old and some have been in disuse for a period of time. The repair and maintenance of these systems is critical because our farmers and ranchers depend on these irrigation systems for their operations. Water is a basic necessity for farmers and ranchers to maintain and expand their production. The reliability of water is a key factor for our farmers and ranchers when decided to expand their operations.

Several systems have been included in this measure. The funds are directed to the Hawaii Department of Agriculture's Agricultural Resource Management Division. We will defer to them for final numbers of what is needed for the systems at this time.

We respectfully request your strong support of this measure.

Thank you for the opportunity to testify.



# Local Food Coalition

# SENATE COMMITTEE ON AGRICULTURE

# Thursday, February 7, 2013, 3:05 pm, Room 229

# **SB1283 RELATING TO IRRIGATION**

Authorizes the director of finance to issue GO bonds to finance improvements to various irrigation systems.

Chair Nishihara, Vice Chair Kouchi and Members of the Committee:

My name is Dean Okimoto, and I represent the Local Food Coalition on this matter.

The Local Food Coalition (LFC) brings together farmers, ranchers, livestock producers, investors and other leading organizations, who collectively manage more than 1 million acres of land, and produce the majority of food in our state. Solving our challenge of increasing the local food supply — putting more local food on local plates — can best be accomplished by bringing people and organizations together who can work on the entire food value chain in a systematic way.

The Local Food Coalition strongly supports SB 1283.

Many of these irrigation systems are old and some have been in disuse for a period of time. The repair and maintenance of these systems is critical because our farmers and ranchers depend on these irrigation systems for their operations. Water is a basic necessity for farmers and ranchers to maintain and expand their production. The reliability of water is a key factor for our farmers and ranchers when decided to expand their operations.

Several systems have been included in this measure. The funds are directed to the Hawaii Department of Agriculture's Agricultural Resource Management Division. We will defer to them for final numbers of what is needed for the systems at this time.

Thank you for the opportunity to testify in strong support on this matter of great importance to Hawaii's farmers and ranchers.

From:	mailinglist@capitol.hawali.gov
То:	AGL Testimony
Cc:	gottlieb@hawaii.rr.com
Subject:	*Submitted testimony for SB1283 on Feb 7, 2013 15:05PM*
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#### <u>SB1283</u>

Submitted on: 2/5/2013 Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Alan Gottlieb	Hawaii Cattlemen's Council	Support	No

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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