STAND. COM. REP. NO. 605

Honolulu, Hawaii

February 17, 2017

RE: H.B. No. 1584 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committee on Water & Land, to which was referred H.B. No. 1584 entitled:

"A BILL FOR AN ACT RELATING TO IMPORTANT AGRICULTURAL LANDS," begs leave to report as follows:

The purpose of this measure is to identify and designate important agricultural lands (IAL) by:

- (1) Requiring the counties to make recommendations for IAL designations by June 30, 2019;
- (2) Requiring the Land Use Commission (LUC) to identify and designate IAL by June 30, 2020, in any county that fails to meet the June 30, 2019 deadline; and
- (3) Appropriating funds.

The Land Use Commission, Department of Agriculture, Office of Planning, Alexander & Baldwin, Inc., The Chamber of Commerce Hawaii, Hawaii Farm Bureau, and Land Use Research Foundation of Hawaii testified in support of this measure.

Your Committee has amended this measure by:

(1) Clarifying the identification and designation process of IAL by the LUC;

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- (2) Amending the Important Agricultural Land Qualified Agricultural Cost Tax Credit by:
 - (A) Amending the definition of "qualified agricultural costs" to include the costs associated with the preparation of former plantation lands that have not been used for more than three years for resumption of growing crops;
 - (B) Extending the tax credit by ten years to allow landowners and farmers to claim the tax credit in the event that their land is identified as IAL; and
 - (C) Clarifying the credit amount for each year in which the credit is claimed;
- (3) Changing the effective date to July 1, 2050; and
- (4) Making technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water & Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1584, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1584, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Water & Land,

AN 1. MAMANE, Chair

State of Hawaii House of Representatives The Twenty-ninth Legislature



Record of Votes of the Committee on Water & Land

Bill/Resolution No.: HB 1584	Committee Referral:		Date: Feb. 8, 2017	
θ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: θ Pass, unamended (as is) Pass, with amendments (HD) θ Hold				
θ Pass short form bill with HD to recommit for future public hearing (recommit)				
WAL Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMANE, Ryan I. (C)			Augus (1990) (1990) (1990) (1990) (1990) (1990) (1990) (1990) (1990) (1990) (1990) (1990) (1990) (1990) (1990)	
2. KONG, Sam Satoru (VC)				
3. CULLEN, Ty J.K.				
3. CULLEN, Ty J.K.				
4. EVANS, Cindy				
5. ICHIYAMA, Linda			mapanon 20 ang Nasa ana≱a.	
6. LEE, Chris				
7. LOWEN, Nicole E.				
7. LOWER, NEOLE.				
8. SAY, Calvin K.Y.			<u> </u>	
9. FUKUMOTO, Beth	✓			
		+		
TOTAL (9)				
The recommendation is: θ Adopted θ Not Adopted If joint referral, did not support recommendation.				
committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				