Honolulu, Hawaii

March 24

, 2017

RE: S.B. No. 783

S.D. 2 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 Agriculture, to which was referred S.B. No. 783, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Repeal the provision that makes the claiming of the Important Agricultural Land Qualified Agricultural Cost Tax Credit contingent upon the repeal, exhaustion, or expiration of the tax credit for the aquarium and marine science and mammal research facility at Ko Olina Resort and Marina and the training and educational facilities at Makaha Resort:
- (2) Expand the definition of "qualified agricultural costs" to include expenditures for the clearing of, removal of trees and debris from, and soil restoration to correct any nutrient deficiency that is present on, former sugar and pineapple plantation lands that have been out of agricultural use for more than five years and are to be used primarily for agricultural purposes; and

(3) Repealing the provision that requires the Department of Agriculture (DOA) to cease certifying credits after 2017.

DOA, Hawaii Farm Bureau, and two individuals testified in support of this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 31, 2150, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 783, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 783, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Agriculture,

RICHARD P. CREAGAN, Chair

State of Hawaii House of Representatives The Twenty-ninth Legislature

Record of Votes of the Committee on Agriculture

Bill/Resolution No.: SB 783, SDA	Committee Referral: AGR, FIN		MARCH 22ND 2017	
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: ☐ Pass, unamended (as is) ☐ Pass, with amendments (HD) ☐ Hold ☐ Pass short form bill with HD to recommit for future public hearing (recommit)				
AGR Members	Ayes	Ayes (WR)	Nays	Excused
1. CREAGAN, Richard P. (C)				70000 000 000 000 000 000 000 000 000 0
2. DeCOITE, Lynn (VC)	✓			
2 CATES Codrig Assess				
3. GATES, Cedric Asuega				
4. ING, Kaniela				
5. LoPRESTI, Matthew S.		Amiliando de estado en la Seria en la comunidad de la Companya de la Companya de la Companya de la Companya de		
6. TAKAYAMA, Gregg			,	770/112mmmyppgmmmmminid 151
7. THIELEN, Cynthia				
TOTAL (7)	7	<u> </u>		
The recommendation is: 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				