



**OFFICE OF PLANNING
STATE OF HAWAII**

DAVID Y. IGE
GOVERNOR

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Statement of
LEO R. ASUNCION
Director, Office of Planning
before the
HOUSE COMMITTEE ON FINANCE
Wednesday, April 4, 2018
2:30 PM
State Capitol, Conference Room 308

in consideration of
SB 481, SD2, HD1
RELATING TO IMPORTANT AGRICULTURAL LANDS.

Chair Luke, Vice Chair Cullen, and Members of the House Committee on Finance.

The Office of Planning (OP) supports SB 481, SD2, HD1, which would amend Hawaii Revised Statutes (HRS) § 205-42(a) of Part III, Important Agricultural Lands, to add a new definition for “landowner” to include a tenant of public landowners.

This measure would clarify that tenants of public lands designated as IAL are eligible for State and county incentives adopted to increase the long-term viability of farming enterprises and the long-term agricultural use of Hawaii’s productive agricultural lands. OP fully supports the concept that agricultural tenants on IAL lands should be eligible for IAL incentives.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
Governor

DOUGLAS S. CHIN
Lt. Governor



JAMES J. NAKATANI
Executive Director

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

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TESTIMONY OF JAMES J. NAKATANI
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE COMMITTEE ON FINANCE

Wednesday, April 4, 2018
2:30 p.m.

SENATE BILL NO. 481 SD2 HD1
RELATING TO IMPORTANT AGRICULTURAL LANDS

Chairperson Luke and Members of the Committee:

My name is James Nakatani, Executive Director of the Agribusiness Development Corporation (“ADC”). The ADC supports the proposed Senate Bill No. 481 SD 2 HD 1 which adds the definition of “landowner” to the provisions relating to the identification and dedication of important agricultural lands (IAL).

We recently learned that there was ambiguity regarding whether tenants on state lands were eligible to receive benefits from designating their fields as IAL pursuant to Chapter 205, Part III, HRS. The ADC believes by adding a definition which clarifies that tenants on state lands are eligible will encourage more farmers and agricultural operation to participate and strengthen the IAL program.

Thank you for the opportunity to testify, and for your consideration of this bill.



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April 4, 2018

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON SB 481, SD2, HD1
RELATING TO THE IMPORTANT AGRICULTURAL LANDS

Room 308
2:30 PM

Aloha Chair Luke, Vice Chair Cullen, and Members of the Committee:

I am Randy Cabral, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,900 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interests of our diverse agricultural community.

HFB supports SB 481, SD2, HD1, which adds the definition of "landowner" to the provisions relating to the identification and designation of important agricultural lands.

Since the enactment of the Constitutional Mandate in 1978 to preserve and protect Important Agricultural Lands (IAL), HFB came before the Legislature every year with proposals of how this measure could be implemented. It was only in 2005 when the standards and criteria to designate IAL was finally passed and in 2008 when the incentives were passed.

The incentives were intended to reward investments in infrastructure – improvements to irrigation system and other basic infrastructure, construction of value added facilities, or construction of irrigation water storage facilities were among the qualified agriculture expenditures that were deemed needed for viable operations. The structure of the incentive as a tax credit for only a percentage of costs forces serious investments vs. those that do it just to get a tax credit. Also, being that it is a tax credit requires that the applicant is paying taxes so most likely a viable business endeavor.

Thank you for this opportunity to provide our opinion on this important matter.

DAVID Y. IGE
Governor

DOUGLAS S. CHIN
Lt. Governor



SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson

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**TESTIMONY OF SCOTT E. ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE HOUSE COMMITTEE ON FINANCE

**APRIL 4, 2018
2:30 P.M.
CONFERENCE ROOM 308**

**SENATE BILL NO. 481 SD2 HD1
RELATING TO IMPORTANT AGRICULTURAL LANDS**

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 481 SD2 HD1 that adds the definition of "landowner" to the provisions relating to the identification and designation of Important Agricultural Lands. The Department of Agriculture has concerns with this measure and offers comments.

The proposed amendments are to Section 204-42 which defines IAL and the objective for the identification of IAL. Specifically, SD2 amends the definition of IAL to include a definition of landowner which includes a private landowner, owner of public lands as defined in Section 171-2, and tenants of public lands. The construction of the definition of "landowner" makes it apply uniformly throughout the IAL Law, otherwise referred to as Part III of Chapter 205.

The inclusion of tenants on public lands within the definition of "landowner" creates ambiguity as to whether HRS Sec. 205-45 conveys to such tenants the unilateral right to petition for designation of public lands as important agricultural lands without an agency's consent. Public lands as defined in Section 171-2 refers to lands under the management, administration, and control of the Department of Land and Natural Resources and the Department of Agriculture. The Department is concerned about assigning tenants of public land the same status as the landowner with respect to



the IAL law. In addition to the ambiguity regarding IAL designation, the changes contemplated by this measure may result in adverse unintended consequences for our land management program as there are permissible uses and activities within Part I of Chapter 205 (the State Land Use Law) that may be sought by tenants for our public lands that are designated as IAL but are inconsistent with the purpose and intent of our land management program. The Department urges the Legislature to clarify the ambiguities noted herein prior to further consideration of this bill.

Thank you for the opportunity to submit our testimony.

SB-481-HD-1

Submitted on: 4/3/2018 2:29:27 PM

Testimony for FIN on 4/4/2018 2:30:00 PM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	the Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

Comments:

SB-481-HD-1

Submitted on: 4/3/2018 7:36:26 PM

Testimony for FIN on 4/4/2018 2:30:00 PM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Dale Sandlin	Hawaii Cattlemens Council	Support	No

Comments: