

STAND. COM. REP. NO. 1218

Honolulu, Hawaii

MAR 21 2023

RE: H.B. No. 994
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Water and Land, to which was referred H.B. No. 994, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LAND USE,"

begs leave to report as follows:

The purpose and intent of this measure is to require the Office of Planning and Sustainable Development to perform a study to refine rural district policies and make recommendations to the Legislature for the reclassification of lands from the agricultural district to the rural district.

Your Committee received testimony in support of this measure from the Department of Agriculture; Office of Planning and Sustainable Development; Department of Business, Economic Development, and Tourism; Hawai'i Farm Bureau; and Ulupono Initiative.

Your Committee finds that all lands in the State must be placed within four major land use districts: urban, rural, agricultural, or conservation districts. Over the years, the agricultural district has been used imprecisely, resulting in certain rural lifestyle farms and residences with no farm activity being classified as agricultural districts. These types of misclassifications can increase the cost of land for bona fide farming operations and also cause high-yield commercial lands to



instead be used for residential purposes, thereby thwarting the highest and best-use of a property and the State's self-sustainability goals.

Your Committee finds that while less than one percent of all lands in the State are currently classified as rural districts, there is potential for greater use of this land category. In 2022, the Office of Planning and Sustainable Development completed a state use land review and found that redefining and thereby reinvigorating the rural district classification could help prevent further fragmentation and conversion of agricultural lands to other uses. Your Committee finds that by appropriately differentiating rural communities and lifestyle farms from commercial agricultural lands, the State can better preserve and regulate open spaces, rural communities, and working lands. Therefore, this measure requires and appropriates funds for the Office to continue working toward the reimagination of the rural district class.

Your Committee notes that the companion to this measure, S.B. No. 85, S.D. 1 (Regular Session of 2023), which was previously passed by the Senate, is a substantially similar measure that also requires the Office to conduct a study to refine rural district policies. Your Committee concludes that the language in S.B. No. 85, S.D. 1, is preferable because it requires the Office to complete its interim and final report on a more expedient timeline and appropriates funds to the Office for two fiscal years, as opposed to just one.

Accordingly, your Committee has amended this measure by deleting its contents and inserting the contents of S.B. No. 85, S.D. 1., a substantially similar measure, which:

- (1) Requires an interim report to be submitted to the Legislature no later than twenty days prior to the convening of the Regular Session of 2024;
- (2) Requires a final report to be submitted to the Legislature no later than twenty days prior to the convening of the Regular Session of 2025;
- (3) Appropriates an unspecified amount of funds for fiscal years 2023-2024 and 2024-2025 for the Office of Planning



and Sustainable Development to conduct the study and complete all required reports; and

- (4) Inserts an effective date of July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 994, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 994, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

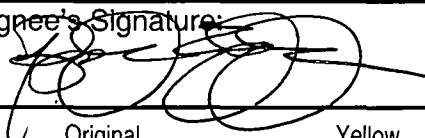
Respectfully submitted on
behalf of the members of the
Committee on Water and Land,


LORRAINE R. INOUE, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:* HB 994, HDI	Committee Referral: WTL, WAM	Date: 3/15/23		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
INOUYE, Lorraine R. (C)	✓			
ELEFANTE, Brandon J.C. (VC)	✓			
CHANG, Stanley	✓			
MCKELVEY, Angus L.K.	✓			
FEVELLA, Kurt	✓			
TOTAL	5	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes