

STAND. COM. REP. NO.

1624

Honolulu, Hawaii

MAR 22 , 2019

RE: S.B. No. 1167  
S.D. 1  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Agriculture, to which was referred S.B. No. 1167, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURAL ENTERPRISES,"

begs leave to report as follows:

The purpose of this measure is to support the growth of diversified agriculture on Department of Agriculture (DOA) lands by:

- (1) Establishing within DOA an Agriculture Enterprise Program (Program), separate and distinct from the Agricultural Park and Non-agricultural Park Programs, to:
  - (A) Allow DOA and its qualifying lessees to plan, design, construct, operate, manage, maintain, repair, demolish, and remove infrastructure or improvements on any DOA lands; and
  - (B) Upon mutual agreement and approval by the Board of Land and Natural Resources and Board of Agriculture, allow DOA to accept the transfer of and manage qualifying agricultural enterprises and



agricultural enterprise lands from DLNR, including related assets and position counts,

subject to DOA giving prior notice of any action to the Agribusiness Development Corporation (ADC) and ADC's authorization to disallow and stop the action;

- (2) Establishing the Agricultural Enterprise Special Fund for deposit of funds collected from agricultural enterprises and agricultural enterprise lands to be expended for related specified activities;
- (3) Authorizing the dispositions of the lands and enterprises under the Program by DOA and establishing requirements, conditions, and restrictions regarding the dispositions;
- (4) Authorizing DOA and its qualifying lessees to plan, design, develop, and manage agricultural enterprises on specified public lands, subject to specified requirements, conditions, and restrictions;
- (5) Authorizing DOA to develop by itself or in partnership with federal or county agencies or private parties, agricultural enterprises or agricultural enterprise lands;
- (6) Exempting the dispositions of Program lands from the requirement of prior approval by the Board of Land and Natural Resources;
- (7) Establishing rights, requirements, and obligations for institutional lenders in the event of a Program lessee's default, bankruptcy, or foreclosure relating to the security interest of the lender; and
- (8) Appropriating funds to DOA for the planning, design, construction, operation, management, maintenance, repair, demolition, and removal of infrastructure on lands under its jurisdiction to support and promote agriculture.



The Department of Taxation, Hawai'i Farm Bureau, and a concerned individual supported this measure. DOA submitted comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting the provisions relating to ADC's authority to disallow any action taken by DOA under the Program;
- (2) Changing its effective date to July 1, 2150, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, 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. 1167, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1167, S.D. 1, H.D. 1, and be referred to your Committee on Finance.

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

  
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RICHARD P. CREAGAN, Chair



State of Hawaii  
House of Representatives  
The THIRTIETH Legislature **HSCR 1624**

**Record of Votes of the Committee on Agriculture**

<b>Bill/Resolution No.:</b> <b>SB 1167, SD1</b>	<b>Committee Referral:</b> <b>AGR, FIN</b>	<b>Date:</b> <b>3-20-19</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
<b>AGR Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
1. CREAGAN, Richard P. (C)	✓			
2. DeCOITE, Lynn (VC)	✓			
3. CABANILLA ARAKAWA, Rida	✓			
4. CACHOLA, Romy M.	✓			
5. HOLT, Daniel	✓			
6. ONISHI, Richard H.K.		✓		
7. PERRUSO, Amy A.	✓			
8. OKIMOTO, Val		✓		
<b>TOTAL (8)</b>	<b>6</b>	<b>2</b>	<b>0</b>	<b>0</b>
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <span style="margin-left: 150px;">committee acronym(s)</span>				
<b>Vice Chair's or designee's signature:</b> <i>Lynn DeCorte</i>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				