



**WRITTEN TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTY-FIRST LEGISLATURE, 2021**

ON THE FOLLOWING MEASURE:

H.B. NO. 531, H.D.1, RELATING TO AGRICULTURAL LANDS.

BEFORE THE:

HOUSE COMMITTEE ON AGRICULTURE

DATE: Wednesday, February 17, 2021 **TIME:** 10:00 a.m.

LOCATION: State Capitol, Rm. 325, Via Videoconference

TESTIFIER(S): **WRITTEN TESTIMONY ONLY.**
(For more information, contact Jennifer Waihee-Polk,
Deputy Attorney General, at 586-1180)

Chair Hashem and Members of the Committee:

The Department of the Attorney General provides the following comments.

House Bill No. 531, H.D. 1, amends section 103D-96, Hawaii Revised Statutes (HRS), to require the Procurement Policy Board (the "Board") to adopt criteria to provide preference to small businesses for the use of state agricultural lands.

We understand the purpose of this bill is to allow small businesses a preference in the leasing of state agricultural lands. Chapter 103D, HRS, however, does not apply to the leasing of real property. Accordingly, the creation of preference criteria under chapter 103D will have no practical effect.

If our assumption as to the purpose of this bill is correct, we recommend the Committee add the requirement to create preference criteria for small businesses to the authority of those departments and agencies that lease agricultural lands, including the Agribusiness Development Corporation under chapter 163D, HRS; the Department of Land and Natural Resources under chapter 171, HRS; and the Department of Agriculture under chapters 166 and 166E, HRS.

Thank you for the opportunity to provide comments

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

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**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE COMMITTEE ON AGRICULTURE

**WEDNESDAY, FEBRUARY 17, 2021
10:00 A.M.
VIA VIDEOCONFERENCE**

**HOUSE BILL NO. 531, HD1
RELATING TO AGRICULTURAL LANDS**

Chairperson Hashem and Members of the Committees:

Thank you for the opportunity to testify on House Bill No. 531, HD 1. This bill requires the procurement policy board to adopt rules for criteria that will provide preference to small businesses for the use of state agricultural lands to promote the growth and development of small businesses. The Department respectfully opposes this bill.

The Hawaii Department of Agriculture appreciates the intent of this bill, however, strongly feels this bill is unnecessary and inappropriately placed in the procurement code. As a real property issue, use of public agricultural lands is not covered by the State Procurement Code. Moreover, the Department's lease applicants are strictly reviewed for qualifications requiring past farming business experience and/or formal agricultural education to optimize the best chances of success on our limited inventory of state lands. The Department's Agricultural Park Program targets smaller farms and newer farmers seeking to establish a commercially viable farming operations that may eventually increase in scale and production over time. It is our experience that a vast majority of farms that apply and qualify could also qualify as a small business, therefore, we believe no preference is necessary at this time.





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February 17, 2021

HEARING BEFORE THE
HOUSE COMMITTEE ON AGRICULTURE

TESTIMONY ON HB 531, HD1
RELATING TO AGRICULTURAL LANDS

Conference Room 309
8:30 AM

Aloha Chair Hashem, Vice-Chair Perusso, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 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.

The Hawaii Farm Bureau opposes HB 531 HD1, which requires the procurement policy board to adopt rules for criteria that will provide preference to small businesses for the use of state agricultural lands to promote the growth and development of small businesses.

HFB appreciates the intent of this measure to provide a preference for small farmers on state agricultural lands. However, we believe this measure is unnecessary because HDOA already has the Agricultural Park Program. The State's Agricultural Park Program makes land available to small farmers at a reasonable cost with long-term tenure.

Currently, the Hawaii Department of Agriculture, through its Agricultural Resource Management Division, operates ten agricultural parks – four on Hawaii Island, four on Oahu, and one each on Kauai and Molokai. Ag Park lessees are engaged in diversified agricultural crops or aquaculture and are small farming enterprises (under 20 acres).

Thank you for this opportunity to testify on this important subject.

DAVID Y. IGE
GOVERNOR



BONNIE KAHAKUI
ACTING ADMINISTRATOR

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STATE PROCUREMENT OFFICE

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TESTIMONY
OF
BONNIE KAHAKUI, ACTING ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE ON
AGRICULTURE
FEBRUARY 17, 2021, 10:00 A.M.

HOUSE BILL 531, HD1
RELATING TO AGRICULTURAL LANDS

Chair Hashem, Vice-Chair Perruso, and members of the committee, thank you for the opportunity to submit testimony on HB531, HD1. The State Procurement Office (SPO) opposes placement of the revised language in Chapter 103D, Hawaii Revised Statutes (HRS), Hawaii Public Procurement Code.

Chapter §103D-104 defines, "Goods" means "all property, including but not limited to equipment, equipment leases, materials, supplies, printing, insurance, and processes, including computer systems and software, **excluding land or a permanent interest in land, leases of real property, and office rentals.**" Therefore, the Procurement Policy Board would not be able to promulgate rules.

Thank you.