

Honolulu, Hawaii

MAR 21 2007

RE: H.B. No. 119  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Madam:

Your Committee on Water, Land, Agriculture, and Hawaiian Affairs, to which was referred H.B. No. 119 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURAL WATER SYSTEMS,"

begs leave to report as follows:

The purpose of this measure is to support and encourage a diversified agricultural industry in Hawaii by allowing the Agribusiness Development Corporation to acquire agricultural water systems that provide water for the irrigation of agricultural lands.

Specifically, this measure:

- (1) Adds a new section to chapter 163D, Hawaii Revised Statutes, that allows the Agribusiness Development Corporation to acquire by grant, purchase, or gift an agricultural water system that provides water for the irrigation of agricultural lands, and exempts the conveyance of the water system from county subdivision requirements;
- (2) Amends section 163D-4, Hawaii Revised Statutes, to allow the Agribusiness Development Corporation to acquire property by gift; and
- (3) Amends section 484-3, Hawaii Revised Statutes, to exempt the Agribusiness Development Corporation from the registration and procedural requirements for subdivided



lands under chapter 484, Hawaii Revised Statutes, when the Development Corporation acquires an agricultural water system.

Testimony in support of this measure was submitted by the Agribusiness Development Corporation, the Hawaii Agriculture Research Center, Kamehameha Schools, and Dole Food Company Hawai'i. Testimony in opposition to this measure was submitted by the Department of Planning and Permitting, City and County of Honolulu.

The purpose of the Agribusiness Development Corporation is to coordinate and administer programs to assist agricultural enterprises to facilitate the transition of agricultural infrastructure from plantation operations into other agricultural enterprises, and to provide the leadership for the development and financing of agricultural enterprises. The Agribusiness Development Corporation acquired the Waiahole Water System on Oahu from a former sugar company, and the ditch system continues to be a stable source of irrigation water to over five thousand acres of agricultural land to support diversified agriculture. Your Committee finds that further enabling the Agribusiness Development Corporation to acquire agricultural water systems will enable agricultural producers to continue their agricultural operations.

It was indicated in submitted testimony that the Agribusiness Development Corporation is currently taking Lake Wilson and the Wahiawa Dam on Oahu under consideration for ownership and management. Your Committee is concerned, however, that more discussion, planning, coordination, and involvement from the Department of Agriculture and the Department of Land and Natural Resources are needed before the Agribusiness Development Corporation can acquire this agricultural water system or other proposed systems. Furthermore, your Committee is concerned about any liability issues that may arise by the Agribusiness Development Corporation acquiring an agricultural water system by gift.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the new section added to chapter 163D, Hawaii Revised Statutes, that allows the Agribusiness Development Corporation to acquire by grant, purchase, or gift an agricultural water system that provides water for the irrigation of agricultural lands, and exempts



the conveyance of the water system from county subdivision requirements;

- (2) Deleting the amendment to section 163D-4, Hawaii Revised Statutes, that allows the Agribusiness Development Corporation to acquire property by gift;
- (3) Adding an effective date of July 1, 2050, to promote further discussion on this matter; and
- (4) Making technical, nonsubstantive amendments for the purposes of style and consistency.

Your Committee believes that this measure, as amended, fulfills the purpose of this measure, which is to support and encourage a diversified agricultural industry in Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 119, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 119, S.D. 1, and be referred to the Committee on Ways and Means.

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



RUSSELL S. KOKUBUN, Chair



The Senate  
 Twenty-Fourth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Water, Land, Agriculture and Hawaiian Affairs**  
**WAH**

Bill / Resolution No.:* <b>HB 119</b>	Committee Referral: <b>WAH, WAM</b>	Date: <b>08/14/07</b>		
<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
KOKUBUN, Russell S. (C)	X			
TOKUDA, Jill N. (VC)	X			
FUKUNAGA, Carol	X			WR X
HEE, Clayton				X
SLOM, Sam	X			
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.5em;">Jill</div>				
Distribution:             Original             Yellow             Pink File with Committee Report             Clerk's Office             Drafting Agency				

\*Only one measure per Record of Votes