

Honolulu, Hawaii

FEB 15 2007

RE: S.B. No. 1756

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 S.B. No. 1756 entitled:

"A BILL FOR AN ACT RELATING TO IMPORTANT AGRICULTURAL LANDS,"

begs leave to report as follows:

The purpose of this measure is to establish a State Agricultural Land Protection Program for the voluntary acquisition of agricultural easements on lands designated as important agricultural lands.

This measure is of great importance for several reasons:

- (1) It essentially provides for the purchase of development rights with respect to important agricultural lands;
- (2) It provides an opportunity for farmers whose farms represent their entire life's equity investment and potential retirement to remain in productive agricultural activity by the State acquiring an agricultural easement on the lands; and
- (3) It establishes a program that will be administered by the Agricultural Land Protection Foundation and funded through the Agricultural Land Protection Fund.

The measure accomplishes this purpose by establishing an Agricultural Land Protection Foundation to utilize moneys appropriated by the Legislature and other sources to acquire important agricultural lands and assist the counties in



identifying, financing, and preserving important agricultural lands. The measure also establishes an Agricultural Land Protection Fund and, among other things, states that landowners who sell or donate an agricultural easement on important agricultural lands will be eligible to receive tax incentives enacted to protect important agricultural lands.

Testimony in support of this measure was received from the Department of Agriculture, Castle & Cooke Hawaii, the Maui County Farm Bureau, the Hawaii Farm Bureau Federation, and the Hawaii Agriculture Research Center. Testimony in opposition was submitted by the Department of Budget and Finance. The Department of Taxation provided comments on this measure.

Your Committee notes that the Department of Taxation submitted testimony stating that the revenue impact of this measure is indeterminate because there are no specific tax incentives that have been enacted to promote the long-term use of important agricultural lands.

Your Committee finds that important agricultural lands are critical to the long-term viability of Hawaii's agriculture and self-sufficiency. This measure will assist the State in fulfilling its constitutional mandate to conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency, and assure the availability of agriculturally suitable lands.

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 S.B. No. 1756 and recommends that it pass Second Reading 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.:* <i>S.B. 1756</i>	Committee Referral: <i>WAH, WAM</i>	Date: <i>2/12/07</i>		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input 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)	/			
TOKUDA, Jill N. (VC)	/			/
FUKUNAGA, Carol	/			
HEE, Clayton	/			
SLOM, Sam	/			
<b>TOTAL</b>	<i>4</i>			<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Clayton Hee</i>				
Distribution:             Original             Yellow             Pink File with Committee Report             Clerk's Office             Drafting Agency				

\*Only one measure per Record of Votes