

Honolulu, Hawaii

MAR 04 2011

RE: S.B. No. 1393  
S.D. 2

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1393, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to improve the agricultural industry by:

- (1) Allowing all dams and related reservoir areas designated as important agricultural lands to be eligible for inclusion in the total acreage calculation for important agricultural lands and to qualify for incentives;
- (2) Providing an income tax credit for dam or reservoir remediation and aquacultural facilities;
- (3) Providing aquacultural enterprises priority of access over leisure crafts and houseboats at all harbors and waterfront of the State; and
- (4) Providing a general excise tax exemption for qualified agricultural food processing facilities.

Your Committee received comments in support of this measure from Paul Oshiro; Alexander and Baldwin, Inc.; Hawaiian Commercial and Sugar Company; Kauai Coffee Company; and Michael Tresler, Senior Vice President, Grove Farm Company, Inc.



Your Committee received comments in opposition to this measure from Jesse K. Souki, Interim Director, Office of Planning, Department of Business, Economic Development, and Tourism.

Your Committee received comments on this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; Russell S. Kokubun, Chairperson, Department of Agriculture; Tax Foundation of Hawaii; Hawaii Farm Bureau Federation; and the Land Use Research Foundation of Hawaii.

Your Committee finds that this measure would support the State's agricultural industry by facilitating repairs of dams and reservoirs and encouraging sustainable food production.

Your Committee has amended this measure by:

- (1) Deleting section 5, which provided a general excise tax exemption to qualified agricultural food processing facilities;
- (2) Changing the amounts of the dam or reservoir remediation tax credit and the aquacultural facilities tax credit to unspecified percentages;
- (3) Renumbering sections of the bill and placing them in the order preferred under recommended drafting procedures;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1393, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1393, S.D. 2.



Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

*David Y. Ige*


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DAVID Y. IGE, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1393 SD1	WLH, WAM	3-1-11		
<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
IGE, David Y. (C)	/			
KIDANI, Michelle N. (VC)	/			
CHUN OAKLAND, Suzanne	/			
DELA CRUZ, Donovan M.	/			
ENGLISH, J. Kalani	/			
ESPERO, Will	/			
FUKUNAGA, Carol	/			
KIM, Donna Mercado	/			
KAHELE, Gilbert	/			
KOUCHI, Ronald D.	/			
RYAN, Pohai	/			
TOKUDA, Jill N.	/			
WAKAI, Glenn	/			
SLOM, Sam	/			
<b>TOTAL</b>	14	0	0	0
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b>				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes