

STAND. COM. REP. NO. **200**

Honolulu, Hawaii

FEB 15 2011

RE: S.B. No. 143  
S.D. 1

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

Sir:

Your Committee on Water, Land, and Housing, to which was referred S.B. No. 143 entitled:

"A BILL FOR AN ACT MAKING AN APPROPRIATION TO THE DEPARTMENT OF LAND AND NATURAL RESOURCES,"

begs leave to report as follows:

The purpose and intent of this measure is to appropriate monies for staffing and operating expenses for the Department of Land and Natural Resources' Dam Safety Program.

Your Committee received testimony in support of this measure from Alexander & Baldwin, Inc.; Hawaii Cattlemen's Council, Inc.; Land Use Research Foundation of Hawaii; Hawaii Farm Bureau Federation; and Maui County Farm Bureau. Your Committee received comments on this measure from the Department of Land and Natural Resources.

Your Committee finds that in 2009, General Fund appropriations for personnel and other operating expenses for the Department of Land and Natural Resources' Dam Safety Program were deleted from the state budget. Premised upon the need to raise the revenue necessary to run the Dam Safety Program, in 2010, the Department proposed the establishment of a new annual fee for all regulated dams throughout the State so that owners of dams would shoulder the burden of costs and expenditures required to upgrade their dams and reservoirs to meet regulatory and other requirements.



Your Committee recognizes that many dam and reservoir owners are private parties that are involved in the agriculture industry. These dam and reservoir owners maintain agricultural operations that are the backbone of many small communities across the state. Some of these small, agricultural communities share their infrastructure with agricultural operations owned by dam and reservoir owners.

Your Committee finds that imposing fees on dam owners would impact small, agricultural communities that depend on privately owned dams and reservoirs. Since the economics of private dam ownership would cease to be feasible, private owners would simply close dams and reservoirs. Small, agricultural communities would potentially lose jobs, and face increases in utility rates.

Cutbacks for agricultural operations will result in increased costs and fewer choices for Hawaii consumers, who receive tangential benefits from Hawaii's agricultural industry. Finally, cutbacks for agricultural operations would also force some owners of agricultural lands to divert their agricultural lands to other uses. Article XI, section III of the Hawaii State Constitution clearly directs the State to conserve and protect agricultural lands. Thus, your Committee finds that it is appropriate to fund the Dam Safety Program with a broad based source of revenue, such as General Fund monies.

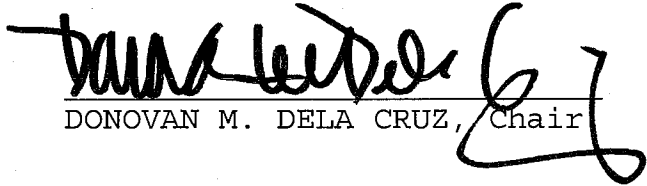
Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 143, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 143, S.D. 1, and be referred to the Committee on Ways and Means.



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Respectfully submitted on  
behalf of the members of the  
Committee on Water, Land, and  
Housing,

  
DONOVAN M. DELA CRUZ, Chair



The Senate  
Twenty-Sixth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Water, Land, and Housing**  
**WLH**

Bill / Resolution No.:*	Committee Referral:	Date:
SB 143	WLH, WAM	Feb 8, 2011
<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	
DELA CRUZ, Donovan M. (C)	✓	
SOLOMON, Malama (VC)	✓	
FUKUNAGA, Carol		✓
RYAN, Pohai	✓	
SHIMABUKURO, Maile		✓
TOKUDA, Jill N.	✓	
SLOM, Sam	✓	
<b>TOTAL</b>	5	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy		

\*Only one measure per Record of Votes