

STAND. COM. REP. NO.

2151

Honolulu, Hawaii

FEB 14 2012

RE: S.B. No. 2857
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Water, Land, and Housing, to which was referred S.B. No. 2857 entitled:

"A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST DAM AND RESERVOIR OWNERS,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist dam and reservoir owners.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Department of Budget and Finance, Land Use Research Foundation of Hawaii, Grove Farm, Hawaii Cattlemen's Council, Alexander and Baldwin, and one private individual.

Your Committee finds that over eighty percent of the dams in Hawaii were constructed before 1940 to support sugar cane plantations. Due to the age of these facilities, deferred maintenance, and lack of safety improvements, many dams and reservoirs pose risks to life and property. Through the implementation of the Dam and Reservoir Safety Act of 2007 and other rules and regulations, dam and reservoir owners are now required to bring their facilities up to current engineering standards. However, the additional costs required to meet the new safety and regulatory requirements may create an undue financial burden on the owners, the majority of whom are farmers or

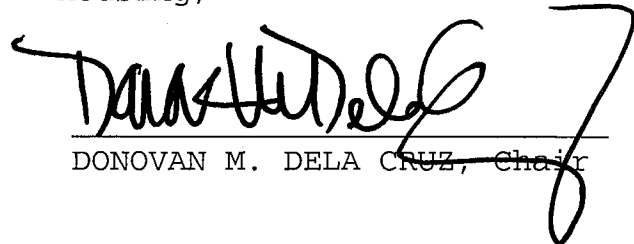


agricultural operations that rely on these facilities for their livelihood.

Your Committee further finds that these dams and reservoirs serve as a valuable water source for Hawaii's agricultural industry and provide other significant benefits to the general public. 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. 2857, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2857, 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, and
Housing,



DONOVAN M. DELA CRUZ, Chair



