

STAND. COM. REP. NO. 3011

Honolulu, Hawaii

MAR 23 2012

RE: H.B. No. 1617
H.D. 2
S.D. 1

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

Sir:

Your Committees on Water, Land, and Housing and Judiciary and Labor, to which was referred H.B. No. 1617, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC LANDS,"

beg leave to report as follows:

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to extend leases of public lands for commercial, hotel, resort, or industrial use upon approval of a development agreement to make substantial improvements to the premises.

Prior to the hearing, your Committees posted a proposed S.D. 1 of this measure for public review, which provides for fair compensation to lessees when leased public land for agricultural or pastoral uses is withdrawn, condemned, or taken for public purposes, and changes the effective date to July 1, 2050.

Your Committees received testimony in support of the proposed S.D. 1 from the Hawaii Cattlemen's Council, Maui Cattlemen's Association, Hawaii Aquaculture and Aquaponics Association, Hawaii Crop Industry Association, McCandless Ranch, Princeville Ranch, and five individuals. The Department of Land and Natural Resources submitted comments.

Your Committees find that actions taken by the Board of Land and Natural Resources in November 2008 deprived beef cattle ranchers of portions of their leases of public lands. These

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ranchers received no compensation for takings of their land other than a reduced lease for the remaining portion of the land. Infrastructure loss and a need to reduce their herd size resulted in detrimental losses, particularly to smaller ranchers. Your Committees find that rent reduction is insufficient compensation, and that more equitable relief should be granted to lessees of public lands for partial takings or condemnations where the lessee is prevented from using the lands as originally intended.

Your Committees also find that Executive Order No. 4403 set aside public lands, identified by tax map key numbers (1) 9-4-012:001, 002, and 003, to the Department of Agriculture at Waikele, Ewa, Oahu. However, your Committees find that as the Agribusiness Development Corporation was designed to be an entrepreneurial agency, with exemptions to quickly put diversified farmers onto land and settle issues related to the difficult and complex transition process, the Agribusiness Development Corporation is a more appropriate agency to oversee the public lands set aside by the executive order.

Upon further consideration and cooperation with interested stakeholders, your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

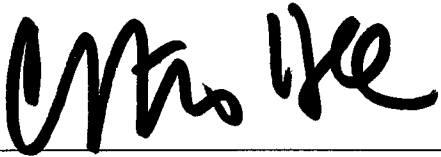
- (1) Establishing an equitable process for determining the appraised breeding value of livestock, which will be used to determine the amount owed by the Board of Land and Natural Resources to lessees as a result of land withdrawals or takings;
- (2) Specifying that compensation paid to a lessee as reimbursement for property tax paid shall only be for the amount of property tax paid on the portion of the leased land withdrawn or taken;
- (3) Inserting language to cancel Executive Order No. 4403 and transferring the parcels of land identified by tax map key numbers (1) 9-4-012:001, 002, and 003 to the Agribusiness Development Corporation no later than January 1, 2013;
- (4) Adding language to make the necessary transfers of rights, powers, functions, duties, and references to the Agribusiness Development Corporation;



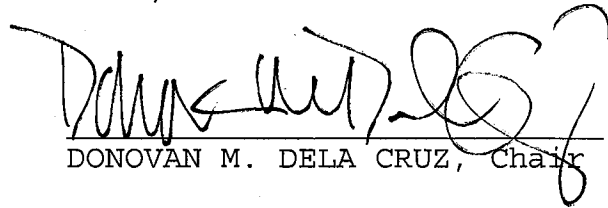
- (5) Retaining the effective date of July 1, 2050, but inserting an effective date of July 1, 2012, for the transfer of lands to the Agribusiness Development Corporation; and
- (6) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Housing and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1617, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1617, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Water, Land, and
Housing and Judiciary and
Labor,



CLAYTON HEE, Chair

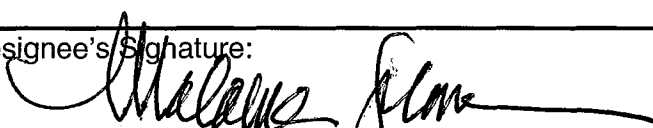


DONOVAN M. DELA CRUZ, Chair



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:		
HB1617 HD2	WLH/JDL, WAM	3-22-12		
<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	✓			
TOTAL	4			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerks Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* <i>HB1617, HD 2</i>	Committee Referral: <i>WLH JDL, WAM</i>	Date: <i>3/22/12</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 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
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile (VC)	✓			
GABBARD, Mike				✓
IHARA, Jr., Les				✓
SLOM, Sam	✓			
TOTAL	<i>3</i>			<i>2</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
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