

STAND. COM. REP. NO.

605

Honolulu, Hawaii

February 17, 2017

RE: H.B. No. 1584

H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Water & Land, to which was referred H.B. No. 1584 entitled:

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

begs leave to report as follows:

The purpose of this measure is to identify and designate important agricultural lands (IAL) by:

- (1) Requiring the counties to make recommendations for IAL designations by June 30, 2019;
- (2) Requiring the Land Use Commission (LUC) to identify and designate IAL by June 30, 2020, in any county that fails to meet the June 30, 2019 deadline; and
- (3) Appropriating funds.

The Land Use Commission, Department of Agriculture, Office of Planning, Alexander & Baldwin, Inc., The Chamber of Commerce Hawaii, Hawaii Farm Bureau, and Land Use Research Foundation of Hawaii testified in support of this measure.

Your Committee has amended this measure by:

- (1) Clarifying the identification and designation process of IAL by the LUC;

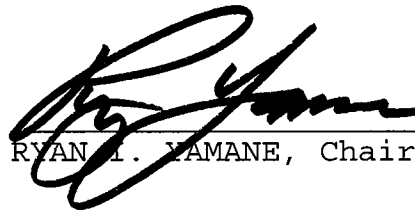
HB1584 HD1 HSCR WAL HMS 2017-2005-1



- (2) Amending the Important Agricultural Land Qualified Agricultural Cost Tax Credit by:
  - (A) Amending the definition of "qualified agricultural costs" to include the costs associated with the preparation of former plantation lands that have not been used for more than three years for resumption of growing crops;
  - (B) Extending the tax credit by ten years to allow landowners and farmers to claim the tax credit in the event that their land is identified as IAL; and
  - (C) Clarifying the credit amount for each year in which the credit is claimed;
- (3) Changing the effective date to July 1, 2050; and
- (4) Making technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water & Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1584, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1584, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Water & Land,

  
RYAN L. YAMANE, Chair



