

**DAVID Y. IGE**  
Governor

**SHAN S. TSUTSUI**  
Lt. Governor



**SCOTT E. ENRIGHT**  
Chairperson, Board of Agriculture

**PHYLLIS SHIMABUKURO-GEISER**  
Deputy to the Chairperson

State of Hawaii  
**DEPARTMENT OF AGRICULTURE**  
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**TESTIMONY OF SCOTT E. ENRIGHT**  
**CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON AGRICULTURE**

**FEBRUARY 1, 2017**  
**8:30 A.M.**  
**CONFERENCE ROOM 312**

**HOUSE BILL NO.784**  
**RELATING TO ENTERPRISE ZONES**

Chairperson Creagan and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 784 that amends Chapter 209E (State Enterprise Zone) as it affects qualified producers or processors of agricultural products and installation of renewable energy infrastructure for agricultural producers. The Department of Agriculture supports the intent of the measure that is specific to agricultural producers, has concerns about our responsibilities in the State business tax credit and the determination of a standard for agricultural self-sufficiency for the State, and offers comments.

To qualify for enterprise zone benefits, agricultural producers have to earn at least 50 percent of their gross income from agricultural or aquacultural activities. The enterprise zones for agricultural producers are to remain in effect until the constitutional mandate to increase agricultural self-sufficiency has been achieved. The Department of Agriculture and the Department of Business, Economic Development and Tourism (DBEDT) are responsible for defining the standards for agricultural self-sufficiency. The director of DBEDT is to recommend to the Governor up to 6 areas in each county as agricultural enterprise zones.



The State Business Tax Credit for agricultural producers is 80 percent of the tax credits claimed for investments in water infrastructure, farm labor housing, investments in mechanization, food processing and value added production infrastructure. The Department of Agriculture is responsible for evaluating and determining whether an agricultural producer's investments are qualified. There is no further guidance on the full extent of the Department's responsibilities with respect to this tax credit. The Department has the responsible for qualifying two existing tax credits with existing personnel. Adding a third tax credit without resources will have adverse effects upon the duties and responsibilities of the Department.

The Department supports the development of renewable energy technologies that directly reduce the electricity costs to agricultural producers. However, the proposed amendments to Chapter 209E regarding "renewable energy infrastructure for agricultural producers by renewable energy production businesses" do not establish this direct linkage of the renewable energy infrastructure to agricultural producers. The 50 percent cap on gross annual income to the agricultural producer from sources other than agricultural or aquacultural activities appears to place a limit on the renewable energy infrastructure for each agricultural producer. Since 2008, the legislature has approved measures that have expanded the use of renewable energy facilities on agricultural lands throughout the State and in some cases, becomes the primary activity on agricultural lands, or is allowed without any connection to agricultural activity. The Department advises caution of allowing the development of more renewable energy facilities on agricultural lands.

Thank you for the opportunity to submit our testimony.



# DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE  
GOVERNOR

LUIS P. SALAVERIA  
DIRECTOR

MARY ALICE EVANS  
DEPUTY DIRECTOR

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Statement of  
**LUIS P. SALAVERIA**  
**Director**  
Department of Business, Economic Development, and Tourism  
Before the

## **HOUSE COMMITTEE ON AGRICULTURE**

Wednesday, February 1, 2017

8:30a.m.

State Capitol, Conference Room 312

In consideration of  
**HB 784**  
**RELATING TO ENTERPRISE ZONES.**

Chair Creagan, Vice-Chair DeCoite, and Members of the Committee.

Although food self-sufficiency is a laudable goal, the Department of Business, Economic Development, and Tourism (DBEDT) opposes the passage of this bill due to several concerns.

First, this bill would extend the tax credit eligibility period in Enterprise Zones until food “self-sufficiency” is achieved. Enterprise Zone benefits currently provide only manufacturers and agricultural producers an additional three years of eligibility in addition to their original seven years of enrollment.

Second, this bill allows for “certification” for benefits based upon an increase in “gross volume production.” Agricultural producers already may combine “retail sales” revenue, an ineligible activity to all other enterprise zone companies, with eligible “wholesale” revenue in order to gain department “certification” to claim Enterprise Zone benefits. Volume would be near impossible for DBEDT to calculate and monitor.

Third, this bill adds retail service activity to the Enterprise Zone Program as an eligible activity of businesses that provide “renewable energy infrastructure” to agricultural producers. Retail activity is not currently an eligible activity given its potential negative impact on the State’s tax receipts.

However, general and sub-contractors, licensed under Section 444, Hawaii Revised Statutes, who provide contractor services to enrolled Enterprise Zone companies, are already exempted from the General Excise Tax (GET) for work done for an Enterprise Zone company at the company’s Enterprise Zone site.

The objective of the Enterprise Zone Program is to bring new business activities and employment to areas of the State with high unemployment. The income and unemployment tax credits taper off over time. Each enrolled business must send in an annual report to DBEDT where we verify increases in the company's full-time employee count. Objectives are clearly known and the credit recipients commit to the objectives. Initial tax relief may be substantial, but tapers off and stops at a specific time.

Thank you for the opportunity to testify.

DAVID Y. IGE  
GOVERNOR

SHAN TSUTSUI  
LT GOVERNOR



STATE OF HAWAII  
DEPARTMENT OF TAXATION  
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HONOLULU, HAWAII 96809  
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MARIA E. ZIELINSKI  
DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE  
DEPUTY DIRECTOR

## LATE TESTIMONY

To: The Honorable Richard P. Creagan, Chair  
and Members of the House Committee on Agriculture

Date: Wednesday, February 1, 2017  
Time: 8:30 A.M.  
Place: Conference Room 312, State Capitol

From: Maria E. Zielinski, Director  
Department of Taxation

Re: H.B. 0784, Relating to Enterprise Zones

The Department of Taxation (Department) appreciates the intent of the measure, which seeks to incentivize the constitutional mandate of increased agricultural self-sufficiency by expanding the definition of "eligible business activity" to include businesses that provide renewable energy infrastructure to agricultural producers and extending the tax credit eligibility period for such businesses. However, the Department has serious concerns regarding the measure due to its open-ended tax credit period for such businesses and substantial ambiguities contained in the measure. The Department otherwise defers to the Department of Business, Economic Development, and Tourism (DBEDT) on the merits of this bill, and provides the following comments for your consideration.

H.B. 784 expands the definition of an eligible business activity to include businesses that provide renewable energy infrastructure to agricultural producers, extends the tax credit eligibility periods for such businesses the Hawaii constitutional mandate of "self-sufficiency" is fulfilled, allows such a qualified business to be eligible for tax incentives by increasing the gross volume of agricultural products or gross volume of renewable energy infrastructures to agricultural producers within enterprise zones located within the same county by two percent annually, and specifies that certain kinds of agricultural investments are eligible for the business tax credit. The measure is effective upon approval, and is applies to tax years beginning after December 31, 2016.

First, the Department notes that the Enterprise Zone (EZ) program was created to provide incentives for new and established businesses to locate and expand in economically distressed areas of the State. These incentives were limited to seven years, except for qualified businesses engaged in the manufacturing of tangible personal property or the producing or processing of agricultural products, which the Legislature extended to ten years in 2009. This measure would reduce the period back to seven years for in the manufacturing of tangible personal property and make the period for the income tax incentives open ended for a qualified businesses engaged in

providing renewable energy infrastructure to agricultural producers. This exemption will continue to apply to these businesses until the State's mandate of increased agricultural self-sufficiency is achieved, as jointly determined by DBEDT and the Department of Agriculture. This is true even if the area falls out of the economically distressed category. The Department has serious concerns over such an open ended credit, which will effectively reduce the income tax rate for such businesses by 20 percent annually.

Second, although the measure states that it is expanding the definition of "qualified business activity", in reality it is creating a new "agricultural zone" program. The measure creates up to six new "agricultural enterprise zones" in each EZ. Once designated, the zones remain until the State's agricultural self-sufficiency has been attained.

Third, the definition of "agricultural producer" has the same meaning as in section 155-5.6, Hawaii Revised Statutes, which provides that it "means a farmer, cooperative association, or landowner who derives at least fifty per cent of its gross income from agricultural or aquacultural activities." Currently, DBEDT qualifies an agricultural business based on whether the business has more than 50% of its gross revenues from the wholesale sale of agricultural products. Under this measure, all agricultural sales, whether retail or wholesale, will be exempt from the GE tax, which is a significant expansion from the current policy.

Fourth, as currently drafted, a business engaged in providing renewable energy infrastructure for agricultural producers need not be located in an EZ or in an agricultural EZ. Such a business can be situated anywhere and only need to provide power from a renewable source to an agricultural producer in an agricultural EZ.

Fifth, the Department is seriously concerned over the provision on line 17 of page 11 which may be read to remove the Department of Taxation's authority to audit, examine and/or adjust any claim. The Department of Taxation suggests that the provision be clarified to state that the Department of Agriculture shall certify that the credit claim is proper, but that the Department of Taxation retains the authority to audit, examine and/or adjust such claims.

Finally, the Department notes that the for agricultural producers and businesses engaged in producing renewable energy infrastructure for agricultural producers, the business tax credit is claimable only provided that the business makes any kind of investments in the following areas during the taxable year:

- (1) Water infrastructure;
- (2) Farm labor housing;
- (3) Investments in mechanization;
- (4) Food processing and value added production infrastructure, including infrastructure for food safety compliance; and
- (5) Renewable energy production capacity

Department of Taxation Testimony  
AGR HB 784  
February 1, 2017  
Page 3 of 3

It is not clear how much of the investment must be made in the enumerated types of investments to claim the credit. For example, as drafted, the provision could be read so that a business that only made a \$1 investment in water infrastructure during the year could qualify for the credit so long as 50% of its revenues were derived from agricultural or aquacultural activities or providing energy from renewable sources to an agricultural producer.

Thank you for the opportunity to provide comments.

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, January 30, 2017 11:03 AM  
**To:** AGRtestimony  
**Cc:** dale@hicattle.org  
**Subject:** \*Submitted testimony for HB784 on Feb 1, 2017 08:30AM\*

**HB784**

Submitted on: 1/30/2017

Testimony for AGR on Feb 1, 2017 08:30AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Dale Sandlin	Hawaii Cattlemens Council	Support	No

Comments:

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**Sent:** Monday, January 30, 2017 1:24 PM  
**To:** AGRtestimony  
**Cc:** alan@prloffice.com  
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<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Alan Gottlieb	Ponoholo Ranch Limited	Support	No

Comments:

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**To:** AGRtestimony  
**Cc:** mendezj@hawaii.edu  
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Submitted on: 1/30/2017

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<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Javier Mendez-Alvarez	Individual	Support	No

Comments:

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**Sent:** Tuesday, January 31, 2017 8:12 AM  
**To:** AGRtestimony  
**Cc:** varanusmoss@msn.com  
**Subject:** Submitted testimony for HB784 on Feb 1, 2017 08:30AM

**HB784**

Submitted on: 1/31/2017

Testimony for AGR on Feb 1, 2017 08:30AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jesse Eiben	Individual	Support	No

Comments: Hawaii agriculture needs this energy incentive to remain competitive in agriculture given energy is an extremely high cost that farmers must bare. Also, given the new Food Safety Modernization act, farmers have new regulatory standards to adhere to, and this will also require energy (water pumps / filters / sanitizers), so energy incentives for infrastructure support is necessary to stay competitive.

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**To:** AGRtestimony  
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**HB784**

Submitted on: 1/31/2017

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<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
John R. Gordines	Individual	Support	No

Comments:

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**Sent:** Tuesday, January 31, 2017 10:20 AM  
**To:** AGRtestimony  
**Cc:** warrenmcfb@gmail.com  
**Subject:** \*Submitted testimony for HB784 on Feb 1, 2017 08:30AM\*

**HB784**

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Testimony for AGR on Feb 1, 2017 08:30AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Warren Watanabe	Maui County Farm Bureau	Support	No

Comments:

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# TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, Expand enterprise zone eligibility

BILL NUMBER: HB 784

INTRODUCED BY: CREAGAN, LOPRESTI, TAKAYAMA

EXECUTIVE SUMMARY: This bill proposes to significantly expand enterprise zone benefits to agricultural businesses and those that sell them clean energy. The expansion of benefits from ten years to an indefinite period of time is of concern. The benefits to providers of renewable energy infrastructure may already claim significant benefits because contractors providing infrastructure to an enterprise zone business are already exempt from GET.

BRIEF SUMMARY: Amends HRS section 209E-1 to add to the purpose of the chapter enabling investments to meet the constitutional mandate of agricultural self-sufficiency.

Amends HRS section 209E-2 to amend the definition of “eligible business activity” in an enterprise zone to include the installation of renewable energy infrastructure for agricultural producers by renewable energy production businesses.

Amends HRS section 209E-4 to provide that the usual twenty-year limit for enterprise zones doesn’t apply to agricultural producers and those businesses engaged in providing renewable energy infrastructure for agricultural products. Provides that up to six areas in each county shall be designated as agricultural enterprise zones until the constitutional mandate of agricultural self-sufficiency has been fulfilled. Requires the department of agriculture in consultation with DBEDT to define the standards for agricultural self-sufficiency.

Amends HRS section 209E-9 to add, as a condition of continuing to qualify for enterprise zone benefits, increase in its gross volume of agricultural products processed or gross volume of renewable energy infrastructure installed for agricultural producers within agricultural enterprise zones located within the same county by two per cent annually.

Amends HRS section 209E-10 to repeal the extended eligibility for enterprise zone benefits for manufacturers, instead giving them a seven-year benefits period; extend eligibility for agricultural producers from ten years to “until the State’s mandate of increased agricultural self-sufficiency is achieved,” and grants eligibility for businesses engaged in renewable energy infrastructure for agricultural producers for the same indefinite period as for agricultural producers.

Also provides that any unused credit may be carried to future tax years. Unused credit cannot be carried forward under current law.

Also provides that while most eligible businesses can take a credit of 80% of eligible taxes the first year, 70% the second year, and so on until it reaches 20% for the seventh (and subsequent) years, agricultural businesses and renewable energy businesses servicing them are entitled to

80% as long as investments in the following areas are made during the taxable year: (1) water infrastructure; (2) farm labor housing; (3) investments in mechanization; (4) food processing and value added production infrastructure, including infrastructure for food safety compliance; and (5) renewable energy production capacity.

EFFECTIVE DATE: Upon approval, applies to taxable years beginning after December 31, 2016.

STAFF COMMENTS: This measure proposes to expand enterprise zone laws as they relate to agricultural businesses and providers of renewable energy infrastructure.

The enterprise zone program was enacted as a cooperative program between the state and the counties to promote jobs in areas of high unemployment. Certain areas are designated as enterprise zones through joint action of the state and counties. In a zone, the state offers an income tax credit for the tax attributable to the eligible business conducted in the zone, which is normally applied on a sliding scale – 80% for the first year, 70% for the second, and so on until the credit is 20% for the seventh and last year in the program. It also offers an unemployment tax credit for the tax attributable to employees doing the eligible business in the zone, on the same sliding scale. Finally, the state offers a general excise tax exemption for the eligible business attributed to the zone and for construction contractors building infrastructure for such businesses. The counties also offer incentives, which vary by county. In return, the business commits to either maintain or increase the number of employees in the zone doing the eligible activity, depending on whether it was already in the zone upon designation or moved to the zone.

As business incentives go, the enterprise zone program *as it now exists* is better than most. The incentive applies to a specific activity (here, creating and maintaining employment) targeted to the problem the program seeks to address. The incentive tapers off over time and then stops. It requires accountability, namely required reports to DBEDT, for a business to retain its eligibility. The business itself may need a different kind of assistance, such as financing, but the state is here focusing on creating and maintaining jobs in areas that need them.

One criticism of the program is that the designated eligible activities do not seem to have a common thread running through them except that the various activities seem to have been the Flavor of the Month at one time or other. Eligible activities at present are:

- Agricultural production or processing
- Manufacturing
- Wholesaling/Distribution
- Aviation or maritime repair or maintenance
- Telecommunications switching and delivery systems
- Information technology design and production
- Medical research, clinical trials, and telemedicine

- For-profit training programs in international business management or environmental remediation
- Biotechnology research, development, production, or sales
- Repair or maintenance of assisted technology equipment
- Certain types of call centers
- Wind energy producers

The changes proposed by this bill fundamentally change the character of the program, not only for the renewable energy installers and agricultural businesses, but for most if not all of the businesses in the program.

All qualified businesses could potentially benefit from the change in the credit to one that can be carried forward.

Manufacturers seem to get the short end of the stick because their ten-year credit is reduced to seven years.

Agricultural producers and renewable energy installers appear to be the big winners, getting a credit of indefinite duration at an amount that can stay at 80% of covered taxes for multiple years.

None of these effects appear to have anything to do with the policy justification of the credit in the first place, which was to encourage businesses to hire workers in areas with high unemployment.

In addition, for agricultural producers and renewable energy installers, there is an added alternative criterion for continuation of the credit, namely a 2% increase in installed capacity or production volume, that has little to do with employment either.

Finally, we question whether extension of all the enterprise zone benefits to renewable energy installers are necessary in light of the existing provision exempting contractors from the GET for contracting activity for a qualified business within the zone (HRS section 209E-11).

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, January 31, 2017 11:55 AM  
**To:** AGRtestimony  
**Cc:** keith@keithranney.com  
**Subject:** \*Submitted testimony for HB784 on Feb 1, 2017 08:30AM\*

**HB784**

Submitted on: 1/31/2017

Testimony for AGR on Feb 1, 2017 08:30AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Keith Ranney	Individual	Support	No

Comments:

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February 1, 2017

HEARING BEFORE THE  
HOUSE COMMITTEE ON AGRICULTURE

**TESTIMONY ON HB 784**  
RELATING TO ENTERPRISE ZONES

Room 312  
8:30 AM

Aloha Chair Creagan, Vice Chair DeCoite, and Members of the Committee:

I am Randy Cabral, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,900 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interests of our diverse agricultural community.

**HFB strongly support HB 784**, which expands the Enterprise Zone Program incentives related to agriculture.

In 2008, amendments were made to the Enterprise Zone (EZ) program, making it agriculture friendly. Thus, many of our farmers and ranchers have utilized the program to expand their operations. As State of Hawaii seeks to increase agricultural production, it is timely to reevaluate the program to meet our changing needs.

A basic practice of our farmers is to evolve the crops they grow based on markets and other variables. The gross price for crops may differ significantly. Flowers per unit area may yield greater gross income than cabbage. As a result, the current income based metric for agriculture may be a challenge. We have proposed a volume based metric as a reasonable alternative to be added as a basis for qualification.

We know it will take focus and investments to move the needle on Hawaii's agricultural production. We propose a timeframe determined by HDOH and DBEDT to reach production goals in place of the current 7 years. This will be consistent with the policy of growing Hawaii agriculture.

Other amendments are proposed to increase agricultural production and viability, suggested by our commercial growers.

Thank you for the opportunity to provide testimony on this measure.

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, January 31, 2017 11:37 AM  
**To:** AGRtestimony  
**Cc:** jmccay@hotmail.com  
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**HB784**

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<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
James McCay	Individual	Support	No

Comments:

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**Sent:** Tuesday, January 31, 2017 11:36 AM  
**To:** AGRtestimony  
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**Subject:** \*Submitted testimony for HB784 on Feb 1, 2017 08:30AM\*

**HB784**

Submitted on: 1/31/2017

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<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Bob Ferguson	Individual	Support	No

Comments:

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**To:** AGRtestimony  
**Cc:** breezybees808@Gmail.com  
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<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Briana Hurley	Individual	Support	No

Comments: Aloha, I'm a Lahaina resident and I support this bill. Passing this bill will help us reach our goal for doubling food production by 2020. I believe helping farmers and those who want to try and build momentum here in Hawaii for renewable resources helps all Hawaii residents. Thank you for your time.

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**HB784**

Submitted on: 1/31/2017

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<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lawrence Koss	Individual	Support	No

Comments:

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**To:** AGRtestimony  
**Cc:** mnakahata@gmail.com  
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**HB784**

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<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Mae Nakahata	Individual	Support	No

Comments:

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**Cc:** johnnaylor@kula.us  
**Subject:** \*Submitted testimony for HB784 on Feb 1, 2017 08:30AM\*

**HB784**

Submitted on: 1/31/2017

Testimony for AGR on Feb 1, 2017 08:30AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
John NAYLOR	Individual	Support	No

Comments:

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**To:** AGRtestimony  
**Cc:** begoniabarry@gmail.com  
**Subject:** \*Submitted testimony for HB784 on Feb 1, 2017 08:30AM\*

**HB784**

Submitted on: 1/31/2017

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<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Barbara Barry	Individual	Support	No

Comments:

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**HB784**

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<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
RuthMarie Quirk	Individual	Oppose	No

Comments:

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**Sent:** Tuesday, January 31, 2017 2:55 PM  
**To:** AGRtestimony  
**Cc:** ihemphi@live.com  
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**HB784**

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<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Denise Key	Individual	Support	No

Comments:

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Jan 31, 2017

To the Members of the Agriculture Committee-

As someone with first hand knowledge of local ag both large and small, I am deeply concerned about HB784.

It gives business tax credits for selling energy generated on agricultural land **without regard to impacting the land for agricultural use.**

**Generation of energy is not agriculture.** Agriculture or land conservation must be the dominant activity on agricultural lands. Specific areas of land designated ag, but not suitable to ag operations of any kind should be considered. The ability of Ag producers to generate energy for on-farm use should be allowed but this can be done on roofs, or above ground where partial shade plants and grazing can be integrated. If energy generation is achieved through growing crops like palm, jatropha, algae, etc. that is appropriate. Why? The by-products of those crops have food/feedstock production value, and the land is kept in agricultural production.

Energy generation is not agricultural production, and perverting the definition will cause legislative and legal gridlock.

**Action:** Amend bill to make energy operation allowable on ag lands *only* if it is  
1) Secondary in income production to agricultural operations (on farm energy use not included in calculation 2) **Ground mounted solar panels (such as in Wahiawa) and big wind, where generated energy is sold are inappropriate, should be excluded from tax credit** if they otherwise meet the requirements.

2) Eliminate following paragraphs:

(3) Research, development, sale, or production of all 15 types of genetically-engineered medical, agricultural, 16 or maritime biotechnology products; [en 17 (4) Production of electric power from wind energy for sale 18 primarily to a public utility company for resale to 19 the public; or 2017-0703 HB SMA.doc 4 Page 5 H .B. N c . 1 (5) Installation of renewable energy infrastructure for 2 agricultural producers by renewable energy production 3 businesses;

3) A quick look at commercial areas in Hawaii shows hundreds of acres of impermeable surfaced parking lots. It is very difficult to grow food on paved surfaces. **Write bill incentivizing installation of photovoltaic collectors on buildings and over paved/impermeable areas** so that energy can be generated where it will be used, AND mitigate the climate changing "heat island effect " which results in increased energy use for cooling. The Kona courthouse is an excellent example.

Respectfully,  
Kau Lucas

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, January 31, 2017 2:06 PM  
**To:** AGRtestimony  
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**HB784**

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<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Joy Nelson	Individual	Support	No

Comments:

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**LATE**

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**Sent:** Tuesday, January 31, 2017 3:37 PM  
**To:** AGRtestimony  
**Cc:** alan31sail@gmail.com  
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**HB784**

Submitted on: 1/31/2017  
Testimony for AGR on Feb 1, 2017 08:30AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Alan Egusa	Individual	Support	No

Comments: We need to promote food independence in Hawaii. Having our lives literally dependent on shipping is not a good long term situation. We need to produce most of the food we eat, and all measures that will help to achieve this goal should be supported. Thank you.

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**To:** AGRtestimony  
**Cc:** kristenmartinek@gmail.com  
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**HB784**

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<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kristen Martinek	Individual	Support	No

Comments:

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, February 1, 2017 12:49 AM  
**To:** AGRtestimony  
**Cc:** chris@mentzel.com  
**Subject:** Submitted testimony for HB784 on Feb 1, 2017 08:30AM

**LATE**

**HB784**

Submitted on: 2/1/2017

Testimony for AGR on Feb 1, 2017 08:30AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Chris Mentzel	Individual	Support	No

Comments: This bill is helping local farmers in Hawaii. I am in full support of it.

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**Sent:** Tuesday, January 31, 2017 11:08 PM  
**To:** AGRtestimony  
**Cc:** director@bettercropshawaii.com  
**Subject:** \*Submitted testimony for HB784 on Feb 1, 2017 08:30AM\*

**HB784**

Submitted on: 1/31/2017

Testimony for AGR on Feb 1, 2017 08:30AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
BENNETTE MISALUCHA	Hawaii Crop Improvement Association	Support	No

**Comments:**

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**To:** AGRtestimony  
**Cc:** director@bettercropshawaii.com  
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**HB784**

Submitted on: 1/31/2017

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<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
BENNETTE MISALUCHA	Hawaii Crop Improvement Association	Support	No

**Comments:**

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**Sent:** Tuesday, January 31, 2017 9:10 PM  
**To:** AGRtestimony  
**Cc:** sunshineconsulting808@gmail.com  
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<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Elizabeth Barretto	Individual	Support	No

Comments:

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, January 31, 2017 6:48 PM  
**To:** AGRtestimony  
**Cc:** carlosm650@yahoo.com  
**Subject:** Submitted testimony for HB784 on Feb 1, 2017 08:30AM



**HB784**

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<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Carlos Monica	Individual	Comments Only	No

Comments: Extending the tax period for the qualified Ag and Energy producing business related to Ag is needed as well as expanded definitions of such.

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