

STAND. COM. REP. NO.

2458

Honolulu, Hawaii

FEB 10 2020

RE: S.B. No. 2702
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 2702 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to, for a period of five years, authorize the Board of Agriculture to determine that a person who seeks an agricultural lease to construct and operate a facility for agriculture or aquaculture that requires more than \$500,000 in construction and equipment acquisition costs to make the facility operational is eligible for the lease when certain requirements are met.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Cattlemen's Council, Inc.; Local Food Coalition; East Oahu County Farm Bureau; Hawaii Crop Improvement Association; Hawaii Aquaculture and Aquaponics Association; Hawai'i Farm Bureau; Larry Jeffs Farms, LLC; and twenty-six individuals. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that the Department of Agriculture's non-agricultural park lands program supports, among others, new and bona fide farmers in gaining a foothold in the agricultural industry. Technological advances have created opportunities for innovation in agriculture to improve efficiency, increase yields,



and encourage sustainable farming practices; however, these technologies often require high investments of capital that new and bona fide farmers are often unable to access alone. Partnering with investors may enable new and bona fide farmers to invest in these technologies to establish and grow their businesses. Your Committee further finds that existing administrative rules pertain to bona fide farmers and that there may be confusion as to what qualifies a person as a bona fide farmer. Your Committee finds that the law should more clearly specify the application of the definition of "bona fide farmer" and broaden the types of entities that may qualify for non-agricultural park leases. Accordingly, this measure expands opportunities for certain entities, including farmers, to obtain investment capital for their operations and be eligible for non-agricultural park leases.

Your Committee further finds that the Board of Agriculture should provide accounting and transparency to the Legislature to ensure that state-subsidized agricultural lands are used for agricultural purposes.

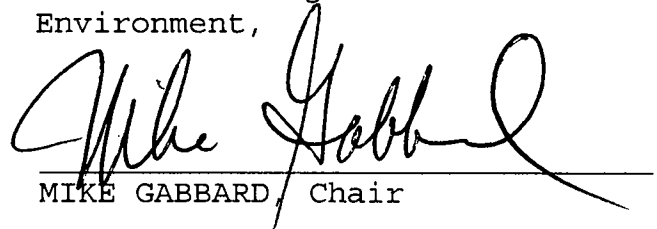
Your Committee has amended this measure by:

- (1) Inserting language to clarify what qualifies a person as a bona fide farmer to be eligible for the non-agricultural park leases;
- (2) Clarifying that farmers may grow any food products under the program, including ones that are not currently imported;
- (3) Allowing the Board of Agriculture discretion in determining potential lessees;
- (4) Inserting language to require the Board of Agriculture to submit annual reports to the Legislature accounting for lessees on non-agricultural park land;
- (5) Removing the repeal date; and
- (6) 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 Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2702, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2702, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Agriculture and
Environment,



MIKE GABBARD, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:* SB 2702	Committee Referral: AEN, WAM	Date: 02/03/2020
---	--	----------------------------

The Committee is reconsidering its previous decision on this measure.
If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	X			
RUDERMAN, Russell E. (VC)	X			
RHOADS, Karl	X			
THIELEN, Laura H.	X			
FEVELLA, Kurt	X			
TOTAL	5	0	0	0

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature: 

Distribution: Original Yellow Pink Goldenrod
File with Committee Report Clerk's Office Drafting Agency Committee File Copy

*Only one measure per Record of Votes