

Honolulu, Hawaii

MAR 19 2010

RE: H.B. No. 2409  
H.D. 2  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Madam:

Your Committee on Water, Land, Agriculture, and Hawaiian Affairs, to which was referred H.B. No. 2409, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO AQUACULTURE,"

begs leave to report as follows:

The purpose of this measure is to encourage commercial aquaculture production in the State by providing favorable terms for the leasing of public lands.

Specifically, this measure:

- (1) Increases the lease terms for aquaculture ventures from thirty-five years to forty-five years;
- (2) Permits aquaculture lessees in good standing to be given a right of first refusal and to seek lease renewal; and
- (3) Allows for supportive aquaculture activities.

Testimony in support of this measure was submitted by eight organizations and three individuals. One state agency supports the measure with certain amendments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee recognizes the Department of Land and Natural Resources' concerns regarding the right of first refusal resulting in the perpetual leasing of public lands by one lessee. However,



your Committee believes that because the lease would be subject to a public bidding process prior to the granting of the right of first refusal, the public would not be shut out of the process. Your Committee finds that the extension of the lease terms for aquaculture ventures is necessary so that they can receive federal loan guarantees. Additionally, a forty-five-year lease term is not unreasonable given that other leases for public lands can be for up to sixty-five years.

Your Committee further finds that taro is an important crop grown using aquaculture effluents. However, taro lands have been marginalized by the assignment of low value agricultural land use designations, and some taro-growing areas are considered "prime D, E" or "marginal." Despite the decline of active taro production in Hawaii, there remains hundreds, if not thousands of acres of land that lay fallow but have the potential for rehabilitation and taro production. This measure should assist not only aquaculture ventures generally, but also help increase local taro production by identifying available and suitable lands.

Your Committee has amended this measure by:

- (1) Including taro in the definition of "aquaculture"; and
- (2) Inserting a provision requiring the Department of Agriculture and the Department of Land and Natural Resources to review the State's public land inventory and identify those lands that are available and suitable for taro farming, and to report their findings to the Legislature.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2409, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2409, 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  
Committee on Water, Land,  
Agriculture, and Hawaiian  
Affairs,



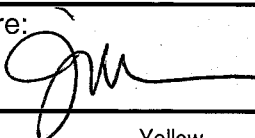
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CLAYTON HEE, Chair



The Senate  
 Twenty-Fifth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Water, Land, Agriculture and Hawaiian Affairs**  
**WTL**

Bill / Resolution No.:* <b>HB 2409 HD2</b>	Committee Referral: <b>WTL, WAM</b>	Date: <b>17<sup>th</sup></b> <b>3/11/10</b>		
<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)	/			
TOKUDA, Jill N. (VC)	/			
BUNDA, Robert	/			
FUKUNAGA, Carol	/			
KOKUBUN, Russell S.	/			
TAKAMINE, Dwight Y.				/
HEMMINGS, Fred				/
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes