

STAND. COM. REP. NO. 2126

Honolulu, Hawaii

FEB 10 2014

RE: S.B. No. 2296
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committees on Agriculture and Economic Development,
Government Operations and Housing, to which was referred S.B.
No. 2296 entitled:

"A BILL FOR AN ACT RELATING TO THE DISPOSITION OF LANDS
MANAGED BY THE STATE DEPARTMENT OF AGRICULTURE."

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize the Department of Agriculture to select qualified applicants as back-up lessees when disposing of certain agricultural or non-agricultural park lands through the sealed bidding process; and
- (2) Authorize the Department to negotiate with a back-up lessee in the event the highest offering bidder or lessee fails to finalize a lease with the Department for any reason.

Your Committees received testimony in support of this measure from the Department of Agriculture.

Your Committees find that it takes a significant amount of time and work for the Department of Agriculture to select awardees for its agricultural leases through the sealed bidding process. Unfortunately, once an awardee is selected, awardees often cannot finalize the lease for various reasons and the Department must restart the sealed bidding process from the beginning. This



measure will save the Department significant time and energy by allowing the Department to select back-up lessees in the event the initial awardee fails to finalize a lease.

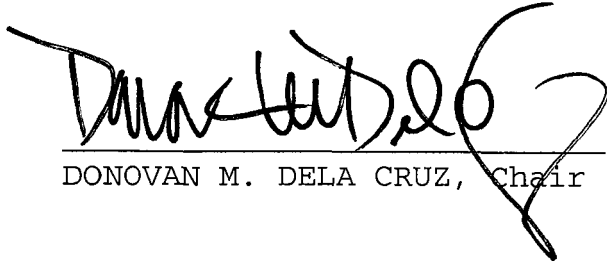
Your Committees have amended this measure by:

- (1) Clarifying that the purpose of this measure is to allow the Department of Agriculture to create an alternative list of qualified applicants to lease agricultural lands in the event an initial awardee fails to complete the lease process;
- (2) Conforming the eligibility criteria for lessees of agricultural park lands with that of lessees of non-agricultural park lands by, among other things:
 - (A) Removing the requirement that a lease applicant, or applicant's spouse, must not own agriculturally zoned land of twenty-five acres or more in the State; and
 - (B) Inserting the requirement that the lease applicant must be determined by the Department to have a beneficial impact on agriculture;
- (3) Moving the language authorizing back-up lessees for non-agricultural park leases from section 166E-8, Hawaii Revised Statutes, to section 166E-11, Hawaii Revised Statutes, relating to lease negotiations; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2296, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2296, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Agriculture and
Economic Development,
Government Operations and
Housing,

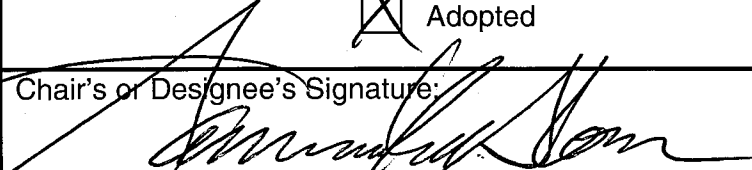

DONOVAN M. DELA CRUZ, Chair


CLARENCE K. NISHIHARA, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Economic Development, Government Operations and Housing
EGH

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|--|---------------------|----------|-----|---------|
| Bill / Resolution No.:* | Committee Referral: | Date: | | |
| SB2296 | AGL/EGH, WAM | 2/4/2014 | | |
| <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) | X | | | |
| SLOM, Sam (VC) | X | | | |
| BAKER, Rosalyn H. | | | | X |
| CHUN OAKLAND, Suzanne | | | | X |
| ENGLISH, J. Kalani | X | | | |
| THIELEN, Laura H. | X | | | |
| WAKAI, Glenn | | | | X |
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| TOTAL | 4 | 0 | 0 | 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 Clerk's Office Drafting Agency Committee File Copy | | | | |

*Only one measure per Record of Votes