

MINUTES

FINANCE & ECONOMIC DEVELOPMENT COMMITTEE

April 20, 2022

A meeting of the Finance & Economic Development Committee of the Council of the County of Kaua'i, State of Hawai'i, was called to order by Luke A. Evslin, Chair, at the Council Chambers, 4396 Rice Street, Suite 201, Līhu'e, Kaua'i, on Wednesday, April 20, 2022, at 9:45 a.m., after which the following Members answered the call of the roll:

Honorable Mason K. Chock
Honorable Felicia Cowden (*via remote technology*)
Honorable Bill DeCosta
Honorable KipuKai Kuali'i
Honorable Luke A. Evslin
Honorable Bernard P. Carvalho, Jr., Ex-Officio Member
Honorable Arryl Kaneshiro, Ex-Officio Member

Minutes of the April 6, 2022 Finance & Economic Development Committee Meeting.

Upon motion duly made by Councilmember Kuali'i, seconded by Councilmember Chock, and unanimously carried, the Minutes of the April 6, 2022 Finance & Economic Development Committee Meeting was approved.

The meeting proceeded on its agenda items, as follows:

Bill No. 2845 A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A, SECTION 5A-11.26, AND SECTION 5A-9.1(a), KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO REAL PROPERTY TAX (*Tree Farm Development Exemption*) (**This item was Amended to Bill No. 2845, Draft 1 and Deferred.**)

Councilmember Kuali'i moved to approve Bill No. 2845, seconded by Councilmember Chock.

Committee Chair Evslin: This is the Real Property Tax (RPT) Bill introduced by Councilmember DeCosta, to repeal the Tree Farm Development Exemption. We talked about this in depth at the last few meetings. We deferred this item at the last meeting per my request to give the Kaua'i Farm Bureau time to weigh in. I think they officially weighed in and are staying neutral. Councilmember DeCosta, did you want to introduce the Bill and share a few words

Councilmember DeCosta: I will keep it brief since we went into depth on this during the first introduction. I wanted to say that the Kaua'i Chamber of Commerce sent in written testimony that supports us moving forward with this. I want to reiterate that the Kaua'i Farm Bureau is taking a neutral stance. Committee Chair Evslin, I want to thank you for deferring this item, because we had a fruitful conversation. We reached out to landowners. Any time you deal with landowners, it gets a little cloudy. After they heard the vision of our platform to decommission the Tree Farm Development Exemption, we made a lot of people realize that this is a positive thing by adding parity and equity to the playing field of agriculture. I was going to say "hi" to my intellectual lawyer friend, Mauna Kea Trask, but he is not here today. I guess there will not be any testimony from Mr. Trask against this Bill. With that, I will keep it brief, and see if there are any questions. Thank you.

Committee Chair Evslin: Are there any questions for the Department of Finance or Councilmember DeCosta? I will suspend the rules. Reiko, are you there? Councilmember Chock.

Councilmember Chock: Thank you, Mr. Chair. Thank you, Reiko. Thank you, Committee Members, for the deferment because it gave me time to hear back from the stakeholders. I am supportive of moving this forward given some of the feedback I received from the Kaua'i Farm Bureau and others. My main concern is the timing as it relates to the agricultural dedication amendment. I would feel comfortable moving forward on this with assurance from the Department of Finance that the tree farm and orchard operations have a place within the agricultural dedication, and we can foresee that being addressed in the future.

There being no objections, the rules were suspended.

REIKO MATSUYAMA, Director of Finance (*via remote technology*): Reiko Matsuyama, Department of Finance. We are in the process of looking at revising the agricultural dedication ordinance. If it is passed, it will look different than it does now. We are trying to include all agriculture. We would not intentionally exclude tree farms or orchards from any agricultural dedication revision.

Councilmember Chock: I am sorry to "get into the weeds," and this is for my own understanding...if an agricultural dedication property had *kalo* in one area, and they had additional areas that were less conducive to what we consider farming or food sustainability, but could be used only for tree propagation, would that fit into the matrix of what we will see moving forward? What I mean is, would we be able to see it? If a farmer has a piece of property and they want to get as much of it covered, can we look towards them having different farm uses, like tree farming, food farming, et cetera.

Ms. Matsuyama: Yes. I think that would be all included in whatever plan they submit when they petition for the agricultural dedication. It goes along the lines with big landowners who have multiple tenants who have different types of agriculture on one parcel. They would have plans for all different diversified agriculture, pasture, et cetera. It may be right next door to each other depending on how it would be. I foresee it being something like that.

Councilmember Chock: Okay. Thank you very much.

Committee Chair Evslin: Councilmember DeCosta.

Councilmember DeCosta: I want to piggyback on what Councilmember Chock brought up. I believe he is talking about the *kalo* farmer...if there is a hill next to that area, he may want to plant 'ulu trees, so he is able to maximize his food production. I am almost certain that will be included in the agricultural fee or agricultural rate, right?

Ms. Matsuyama: Correct. It is that way now.

Councilmember DeCosta: Okay. Perfect.

Ms. Matsuyama: I do not think that will change between the current Bill and any proposed bill.

Councilmember DeCosta: Perfect. Thank you for that.

Committee Chair Evslin: I have a question. It is a little hard going back and forth between a future hypothetical agricultural dedication change, our current agricultural dedication program, and the Tree Farm Development Exemption. One of my concerns which I have spoken to you folks about is how to determine economic viability for a tree farm that is not going to produce any revenue for twenty (20) years. Say hypothetically, if someone is going for a repeated five-year dedication on a tree farm, showing zero (\$0) revenue for five (5), ten (10), or fifteen (15) years, how are you going to determine economic viability for that? Is there a potential future agricultural dedication program to ensure that there is clarity around economic viability for a tree farm with a twenty-year return would be determined?

Ms. Matsuyama: Yes. In general, economic viability is very difficult for agriculture. Every specific agricultural operation is different in terms of what can be economically feasible. I think what is going to have to happen is a tree farm may not generate revenue for several years, decades. They would have to submit that in their original plan. It is all about reasonableness. The employees in Real Property Tax know what to expect from different agricultural operations. If it is reasonable, it will be accepted, petition-after-petition, if that were the case. We have not started working on the rules yet, but when a new dedication program is passed, we are going to have to scrap our rules that we have now and set up new rules. I think the defining economic viability or whatever that phrase may be, is going to have to be separated by agricultural industry or agricultural operations, so that we can clearly define it. It is one of our highest standards in terms of allowing an agricultural dedication. It is going to have to be clearly defined in the rules.

Committee Chair Evslin: I have a few follow-up questions. For clarity, you are saying, theoretically, if a future agricultural dedication passes, new rules are going to clarify what economic viability looks like for a variety of different industries. There could be a tree farm economic viability definition in some capacity. Am I hearing that right?

Ms. Matsuyama:

Yes.

Committee Chair Evslin:

Councilmember DeCosta.

Councilmember DeCosta: I want to bring clarity to this table. I like to think that I am the agricultural person, besides Council Chair Kaneshiro. I want to let you folks know that this is something like making wine with grapes. The person who makes wine and sells his wine out of a barrel in two (2) years has a cheap wine on the shelf. His or her company makes a profit right away. The wine company that puts their wine on the shelf for twenty (20) years and ages it, yes, they did not make any revenue on those bottles of wine on the shelf. When they sell that wine in twenty (20) years, they are going to sell it at a lot more than if they would have done it in two (2) years. That tree farm that is not getting any revenue for the twenty (20) years, but when they harvest that hardwood to be put into lumber or sold as energy, they will receive a very large portion of revenue. If you do that math and roll that revenue over the years that they saved on not paying any property taxes, the revenue could be distributed out among the life of the twenty-year term. It is the same process as wine. This is to bring clarity for the people who do not understand, because you folks make it seem like these companies are going to earn zero (\$0) for the twenty-five (25) years. How can they recover? When they sell that wood in twenty-five (25) years, remember, it is a lumpsum profit that comes in. Thank you.

Committee Chair Evslin: If I can clarify my own concerns. I do not mean to get too far down the road of discussion here. I think the concern of a tree farm is that they are making a twenty (20) or twenty-five (25) year business decision around whether to invest in that piece of property. Tree farms other than energy crops are not all that profitable otherwise we would see more of them. When they determine whether to make that twenty-year decision, there needs to be some level of assurance over the tax rate that they are going to have for those twenty (20) years, and that they are not going to fall out of it after five (5) or ten (10) years. I recognize that at some point there is a windfall. The questions are around how much assurance we have over basing a financial decision off a particular rate. Are there any other follow-up questions? Councilmember Kuali'i.

Councilmember Kuali'i: Reiko, when you were talking about the Agricultural Dedication Program update, I thought I heard you say "if and when." Is there a plan now to do an Agricultural Dedication Program update, and what is the projected timeline for it to be started and completed?

Ms. Matsuyama: Yes. There is an Agricultural Dedication Plan. As far as timeline, I would propose that we would try to do first reading sometime in the summer. I am guessing, but if I had my way, it would be introduced this summer.

Councilmember Kualii: That is good news. Hearing that, summer is just a couple of months away. When I look at this Bill, the last part says, "Shall take effect upon its approval." That means immediately. I am trying to determine what is the hurry, why are we not doing it all at the same time, and is the annual exemption application deadline typically September 20th? We are cutting it off immediately. Even if there was someone in the works right now looking to make that September 20th deadline, they would not be able to do it. Very often, a lot of what we do there is a little bit of time...January 1st or a future date. Why is this being rushed?

Ms. Matsuyama: To clarify, it is more rushed than you would think. September 30th is our regular exemption deadline, but July 1st is our deadline for agricultural dedications and tree farm exemptions. In my opinion, if there were potential tree farm applications out there that were trying to meet the July 1st deadline, we would have heard of them by now. They would have already been working with us because the cut-off deadline is July 1st. There is usually back and forth when we do these petitions. I think we would know about them by now.

Councilmember Kualii: What you are basically saying is it is not a rush. The other thing I would throw out there is when we were talking two (2) weeks ago about the existing exemptions, it expires as it goes. Once they apply for a certain amount of acreage and they plant it, it is already done, and it will expire. When they replant those fields, they must do the agricultural dedication route. The exemption is then no longer there. In essence, whatever existing exemptions are already out there are already set to expire based on the planting, harvesting, et cetera. I heard from Green Energy Team that they intend to do additional planting. When you grandfather it, it does not grandfather them to do additional planting. By doing this, you are cutting them off taking advantage in the next cycle, and to apply for further exemptions. Is that what we really want to do? I do not think so.

Ms. Matsuyama: Okay. I have not heard from Green Energy Team and if they oppose this or not.

Councilmember Kualii: I did.

Ms. Matsuyama: Their land is grandfathered for the existing exemptions that they have. With that, it is twenty-five (25) years or first harvest. If they harvest their land, then they will go into the Agricultural Dedication Program. The current law states, you cannot get back-to-back Tree Farm Development Exemptions on a land. Even if we change nothing, we do not change anything even with this Bill, they cannot reapply for another Tree Farm Development Exemption once they harvest. They have to roll into a petition for a twenty-year agricultural dedication.

Councilmember Kualii: Right, but they can apply for new acreage and new planting, correct?

Ms. Matsuyama: New acreage?

Councilmember Kualii: Yes.

Ms. Matsuyama: New planting on an existing tree farm, no.

Councilmember Kualii: Right, but there is acreage all around the existing tree farm. If they are wanting to plant additional acreage and they got access to that land from the landowner, they would not be able to apply for the exemption if it took effect immediately.

Ms. Matsuyama: That is correct.

Councilmember Kualii: If it took effect at a future date, it would almost give them a window to say, "Hey, this is going away. If you want to do anything additional, you better do it now." I got indication in writing from them and that is what they are wanting to do. I need to put them in touch with you. Maybe we defer this item. Unless you can tell me today that if I was to put an amendment forward with a date, not saying immediately, putting the future cycle deadline of January 1st or October 1st. I think they said by September they would have their exemption application done. I was thinking about the September 20th deadline, but you are telling me it is July 1st. They will not be able to make the July 1st deadline.

Ms. Matsuyama: No. Just to reiterate. If they want a new...they will fall into the Agricultural Dedication Program, they are still going to reap the benefits of that program's tax relief. I do not know how many new acres they are intending to plant. Kaua'i Island Utility Cooperative (KIUC) contacted us and are not opposed to the Bill. When they saw the numbers and what kind of tax relief the Agricultural Dedication Program provided, between the zero (\$0) tax...I think that is a policy call. Do we want to extend zero (\$0) tax to more tree farms and green energy?

Councilmember Kualii: There is the whole thing about—we all support that a tree farm captures carbon, it is stored in the soil and the trees. If we are trying to deal with global climate change, who knows maybe there is another...we are not giving it any time. We put this forward, we committed to a certain philosophy with the environment, and we have many acres on this island sitting fallow growing guinea grass. This seems so fast, rushed, and I am wondering why we would not let it be out there for a while. We have not even heard or received testimony from a lot of people. Maybe the whole thing about grandfathering, the small tree farmers are busy...the grandfathering to me is not really grandfathering because they are all expiring. If it was grandfathering to the company rather to the existing acreage would be one thing. If it is just grandfathering to the existing acreage, it is expiring, so they do not have the opportunity to do any additional acreage. I know what you are saying the cost difference between the exemption and the agricultural dedication is not that much, and they should just pay the difference, but to me, there is also a

principle here about what we would do in the beginning. When Chair talked about what they did their financials on, they did it on that. To take it away from them, and you would be taking it away from them if you do not allow them. If they are saying that they want until September to do one (1) more application, why not give them that? What is the hurry? Especially since you are doing the Agricultural Dedication Program update in the summer, which is a couple months away. It seems as if you would have done this all together. It was not initiated by you. It was initiated by Councilmember DeCosta, but eventually you folks worked together and here we are.

Ms. Matsuyama: I would comment that you are talking about green energy and the sustainability issue for this. This has been around since 1996. It is not like they did not have time, they had time. The industry that was trying to be creative in 1996 was not carbon. These folks are taking advantage of an exemption that was not supposed to be for them. Do we want to incentivize more of that? I do not know, that is a policy call. To me, giving them more time does not make a whole lot of sense in the fact that they can apply for the agricultural dedication. They have not come out. They have not come out...if they want new land, that is one thing. I do not know if the grandfathering term is being confused. Like I said before, they cannot reapply for back-to-back Tree Farm Development Exemptions. Even as the current law stands, they would all have to fall into the Agricultural Dedication Program. For new lands, I would say that you can apply now before July 1st, and before this Bill passes. Again, you would be grandfathered in as the way this plan works. That discussion is up to you as policymakers. From our perspective, we like the immediate effective date.

Committee Chair Evslin: Did you have a follow-up?

Council Chair Kaneshiro: I will go later. My follow-up was back to the economic viability portion.

Committee Chair Evslin: Councilmember Cowden, we will get to you right after Councilmember DeCosta's follow-up. Thank you.

Councilmember DeCosta: I want to follow up on what Councilmember Kualii is saying. We sit here and throw out important jargon. Mauna Kea used the word "violating" the General Plan. I heard Councilmember Kualii saying, "Trees taking carbon and making oxygen." I believe in 2000, when this General Plan was revised, it did not have anything to do with trees that were going to be grown for energy. I am going to reiterate what the Department of Finance said. They took advantage of something that we did not see. Former Mayor Bernard P. Carvalho, Jr. is sitting next to me. In 2018, we redid the General Plan, and food security was not part of the plan. Only when COVID-19 hit, we learned something very viable. As a Councilmember, it is my duty to make sure our community is at the forefront of food security when we are ninety-one percent (91%) dependent on food, and seventy percent (70%) energy efficient in green energy. With that being said, I introduced this Bill, so we could put parity and equality amongst the agricultural lessees to ensure food security. You cannot eat branches and you cannot eat twigs. You need to put food security at the forefront. Green Energy Team is the topic. That is what I

have heard, I have not heard them disagree, and I have not heard them providing testimony. I have spoken to people who work for KIUC and Green Energy Team. KIUC pays Green Energy Team a handsome rate per kilowatt. They are already drawing revenue. They are making revenue on the trees that they are harvesting. How much more do we enable a business to...I do not think they get the RPT benefit. I believe the landowner that they lease from gets the RPT benefit. Am I correct, Reiko? We spoke with Nikki. Mike, do you want to respond?

Ms. Matsuyama: Ultimately, the tax burden falls with the landowner. The Purchase Purchase Agreement between Green Energy Team and KIUC, they use the property tax expense in the calculation to determine what that Purchase Power Agreement would look like.

Councilmember DeCosta: I rest my discussion with what I just reiterated.

Committee Chair Evslin: Councilmember Cowden, we will go to you in a second. I want to clarify one thing. The 2018 General Plan references Green Energy Team. It says, "Carefully manage forestry efforts, also provide opportunities for green energy production, food forest, and materials for local manufacturers."

Councilmember DeCosta: Councilmember Evslin, I did not say that it does not. I said, COVID-19 did not hit until after former Mayor Carvalho did the General Plan. We learned during COVID-19 that not only energy is important, but food security is also, too. I want to make sure that we do not throw acronyms and jargon that confuses people. That was my intent and point I was trying to make.

Committee Chair Evslin: Councilmember Cowden.

Councilmember Cowden: Thank you. I am following up on Councilmember Kualii's comments. First, Reiko and Mike, I want to thank you for the time that you spent with me to help me understand where there is grandfathering, helping me to feel comfortable with all three (3) Bills, and allowing these to sundown. What I want to support and what Councilmember Kualii is asking, why is this being rushed at the front? I am very eager for us to be reviewing our Agricultural Dedication Bill. I deeply value what we discussed before in this production capacity that Councilmember DeCosta is talking about. Yes, that is important and something that I have been passionate about for a good twelve (12) years. We have a lot of land; we can do food production. I like that there is ways that homestead can cover a lot of these diversified farms. There is a lot of good ways that things can be managed. I am eager to work on the Agricultural Dedication Bill. Why are we not able to have these Bill's parallel? I would feel better if I saw the Agricultural Dedication Bill, creating something far better and more appropriate for this decade, and those moving forward. That is what matters. The agricultural dedication was put forward when we had large landowners doing export crops. Why are we not able to do this collectively with the agricultural dedication if that is happening in a couple of months?

Ms. Matsuyama: For us, these two (2) are agricultural programs, but both are very separate and distinct. We have one (1) person managing both programs. What we want to do is funnel all agriculture into Agricultural Dedication. Agricultural Dedication is our primary vehicle for tax relief for the agriculture industry. We want to funnel everyone into one (1) program, so that RPT can manage just one (1) program. As it works now, with tree farms expiring, it is very complicated. Let us say that you are on adjacent parcels, this part gets harvested, and it goes into a twenty-year agricultural dedication. This part gets harvested three (3) years later, it is on a different twenty-year dedication cycle. It is very difficult for us to manage them together. It is going to look very different. Because we are sunsetting the tree farm, there will be no new tree farms coming in. It is easy for us to say, "Yes, we can grandfather them, we can run this program, and see it through the duration of the existing Tree Farm Development Exemption." The Agricultural Dedication Program is separate, because we have existing, and we are creating a new program. The grandfathering concept that we are talking about for tree farms is going to look very different than the Agricultural Dedication Program. I think that if we start combining these together, it is going to be very convoluted. To me, this Tree Farm Development Exemption is very cut and dry. The Agricultural Dedication is going to be very complex, and it is going to protect more people. It should be set on its own and thinking about the fact that this is our only agricultural tax relief program. Not trying to juggle all these other programs. For us, it would be much more streamlined and easier to pass any agricultural bill, if we are only talking about it one at a time. Agricultural Dedication has been talked about for a long time. They had working groups and talked about this for years. They could never come to a consensus, so nothing was ever done. It is hard for me to...I do not know how it is going to look this time around. I think it is going to be different. The best hope we have is to isolate that issue and make sure all farmers are included to be in the tax relief program.

Councilmember Cowden: I can support your goal. What is uncomfortable for me and what I am hearing you say is that it makes it easier for you if I surrender other options beforehand. If we are looking at them side-by-side, it does not mean that we need to mix them together. What I am hoping is, however complicated it is when I look at the Agricultural Dedication Bill, I can say, "Wow, that makes sense. That is reasonable." We talked about how heavily worked our accessors are. We have thirty-six thousand (36,000) properties. We have three (3), five (5), seven (7) accessors or assessment people. We need to value their time as a premium. I get the importance of making it be narrow rather than fragmented for what they are working on. I support that. What I heard when we spoke is that in 1991, we had a wasteland applicant who is no longer there. There is nothing remaining on the orchards. There are sixteen (16) properties left on the tree farms. It is going to be good to say, "Okay, we are sundowning all of these and we are ready to move on." I support that, I just want to see what we are moving on to first. We had two (2) years of asking us to make decisions based on faith. Not from you folks, but from the government in general, and certainly the State. We had to make really important decisions for our community based on faith that the government and Hawai'i State

Department of Health knows what they are doing. We are not seeing those things necessarily pan out consistently. We have to learn something from that. I have not been able to get through to Green Energy Team. I need to probably try harder. I have made several calls. I still do not understand why...I would be likely to support this in two (2) months, as I am now. I would feel more comfortable—it is like a leap of faith to sundown these based that I have not seen yet. Why can we not do them together? I do not understand why it will complicate things if it happens in the same window. When we look at it, it is great, and gets us into things that do not work.

Ms. Matsuyama: Yes. I would say that you are relying on something that you have not seen yet, but you are relying on something that you are yet to provide comment to. You will be able to ensure that tree farms will be included in future Agricultural Dedication Programs.

Councilmember Cowden: No. I am not confident that I can do that. I am not confident that I can do anything I feel that I might need when I am one (1) of seven (7) Councilmembers. When I am one (1) of seven (7), the odds are not with me. To achieve what I am hoping for is possible, but I cannot influence the vote of the other six (6) Members with any sort of certainty. It does not mean I get necessarily get to make those changes, I want to make those changes, it does not mean that I will succeed. It is not the same thing.

Committee Chair Evslin: Councilmember Cowden, do you have more questions?

Councilmember Cowden: No. I still do not feel that I have been given a good reason why we need to say yes today, when this will be immediate in two (2) weeks. I do not feel that I have heard anything. If none of this matters now, why does it matter? If it is not important now and it has not been for years, what difference does two (2) months make? I do not understand.

Committee Chair Evslin: Councilmember Kualii.

Councilmember Kualii: I am following up on the timing and why it is being rushed. When we were talking, you said that you did not know of any others that are interested in applying. When I talked about the Green Energy Team and doing an additional application, you said that you did not hear from Green Energy Team. Would you be supportive of a deferral in the next two (2) weeks, so that you and Green Energy Team can get together? It sounds like you are not supportive of a date that is later than July.

Ms. Matsuyama: With all due respect, I know they knew about this Bill from first reading back in February. They have not come forward with any testimony for or against this Bill. They have not reached out to me directly to talk about numbers.

Councilmember Kualii: Well, I am one (1) of the seven (7) Councilmembers, and they did tell me. I am just passing it on, that is all I can do at this point. I have strong feelings about what I support and do not support based on...I care about the environment, and I care about fallow lands growing trees instead. I can only do that right now and I can only tell you what I know. I wish they sent you what they sent to me. What is the rush? Can we defer this for two (2) weeks, and can I put you in touch with them? I will not sit and meet with you folks. I already have the information, and I want you to have it, too.

Ms. Matsuyama: I would love to have a meeting with them.

Councilmember Kualii: It may not be a meeting, it may be a phone call or E-mail.

Committee Chair Evslin: Councilmember Kualii, did you have any further follow-up?

Councilmember Kualii: No. I am ready to make a motion to defer.

Committee Chair Evslin: Before you make the motion to defer, because it will cut off all discussion...Councilmember DeCosta, followed by Councilmember Chock.

Councilmember DeCosta: We had a deferral and the time to investigate. We did our homework. We got the Hawai'i Chamber of Commerce to agree. We spoke to the Kaua'i Farm Bureau, with Uncle Jerry, Uncle Johnny, and Laurie. Laurie mentioned global warming. I see that you are passionate about the tree, carbon, and oxygen question. I understand that.

Councilmember Kualii: And the environment.

Councilmember DeCosta: Let me finish. I understand that, Councilmember Kualii. We are talking about one (1) company, Green Energy Team. I did not hear us talking about anyone else. A company that is making profit on their alternate energy with KIUC. We had our deferral. This is my opinion on the three (3) Bills that I introduced. The Department of Finance is backing it up because it will make their process simpler. During discussion and as Councilmember Cowden mentioned, she is only one (1) of seven (7). Our job here on the table is to have a discussion and look at ways to inspire each other to vote in the best interest of what the Bill will represent. Right now, the Tree Farm Development Exemption only satisfies one (1) company, Green Energy Team. They are grandfathered in. Their parcel that they grow trees on is not going to be affected. I want to share something else with you folks since you since you are talking about carbon and oxygen. Did you know that when we harvest and clearcut those trees, that clearcutting process has been banned across the United States in the logging industry? Did you know that? Because of the minerals that wash into the streams that affect the trout, the

steelhead, and the native species in the rivers and streams of America. Here in Hawai'i, we do not talk about when Green Energy Team harvests all their trees. We have barren dirt and rainfall that flows on Earth. The minerals go into the streams that go from *mauka*, Knudsen's river to Māhā'ulepū, and into the ocean. We do not talk about the 'ō'opu and *opae* shrimp that are negatively affected. If you want to talk about issues that are pressing with Green Energy Team, that is one (1) of the issues I am passionate about. I am not going to support a deferral. I think we had the time. I think Green Energy Team had a chance to speak. Mauna Kea was here advocating. We had our homework, we did it, and I think we should vote on it. It will go into final reading where all seven (7) of us can vote. That is my opinion and I hope Council Chair Kaneshiro can speak before someone asks for a deferral. I would like Council Chair Kaneshiro to speak before a deferral is called for.

Committee Chair Evslin: Let us stick to questions for the Department of Finance for now. We will take testimony, call the meeting back to order, do final discussion, and at that point—if there is a move to defer, we will make that motion. Are there any further questions for the Department of Finance? Councilmember Chock.

Councilmember Chock: I want to clarify what I heard from Reiko. I do not think it is one or the other. It is how we can support both. It sounds like it is a timing issue. I want to get clarity from Reiko. What I am hearing from you is that you really do not want any new applications, because that would be counterproductive to how you want to manage moving forward. Is that correct?

Ms. Matsuyama: Yes, Councilmember Chock, well said. Because we are grandfathering it in, we could be running this program for the next twenty-five (25) years. That is the reason for the urgency.

Councilmember Chock: Okay. Thank you for your stance. It is clear to me now. I have a question for Councilmember Kuali'i. Councilmember Kuali'i, my understanding is that you want to move this out further.

Councilmember Kuali'i: Just a little, to September 15th.

Councilmember Chock: Okay. Change the date to September. Do you want a deferral to create the amendment?

Councilmember Kuali'i: I can do the amendment. It sounds like there seems to be hurry and I do not understand. If we cannot defer this for two (2) weeks to talk to Green Energy Team, I have to go based on what I heard from them and make my amendment. I will do that.

Councilmember Chock: Thank you very much. That is all for my questions.

Committee Chair Evslin: Council Chair Kaneshiro.

Council Chair Kaneshiro: My question is for Reiko. I am not going to get back to economic viability because we are way past that. I think it is based on timing. How would you feel about doing July 1st and having anyone who wants to do it now, they have to do it by the deadline, and the policy changes after that? That is the deadline for this year. What is your opinion? I cannot see us going to September, because you will add another year to the Agricultural Dedication process. What is your opinion on that?

Ms. Matsuyama: I would be okay with amending to make it effective July 1st.

Committee Chair Evslin: Reiko, I have a question. You mentioned that if we go beyond July 1st and into September, an application comes through, we are running the program for twenty-five (25) years. There were people who got into the program in the last few years. What is the estimated timeframe for running the program?

Ms. Matsuyama: I do not know. I need to review each one because it is dependent on first harvest or twenty-five (25) years. They would have to submit their plan on when first harvest was, then we would have to double-check. I cannot get back to you right now.

Committee Chair Evslin: Do you know when the last applicant came into the program?

Ms. Matsuyama: I would have to go back and look at our records.

Committee Chair Evslin: That is okay, thank you. Do you have a question, Councilmember Carvalho?

Councilmember Carvalho: I mentioned this before. I wanted to say that agriculture, in general, is important to the entire island. Green Energy Team is only one (1) company that we are having discussion on, tree companies in general and overall. In this discussion and what I am hearing, if there is more time and opportunity to open the door. At the end of the day, for me, everyone is at the table. Reiko, I know what you are saying with getting the timeframe to be connected. Green Energy Team is a company that did a lot of work for Kaua'i. At the same time, there are other opportunities coming our way. By looking at ways to offer a little more so we can get to the final and go from there. That to me, would make it work and benefit all. At the end of the day, it includes everyone. Reiko, I do not know if that is something on your side that you can look at and have a little more time.

Committee Chair Evslin: Reiko, do you have an answer for that? I think you are asking to defer this and do it at the same time.

Councilmember Carvalho: Yes.

Ms. Matsuyama: I think that it will convolute the Agricultural Dedication process. To say that we are going to have two (2) programs that we are analyzing...Agricultural Dedication on itself standalone is complicated enough. I think we should try to funnel everyone through there. I do not know if I am saying this correctly, but I think it would be easier to focus on one (1) program at a time. Rather than say, "Oh, we still have this other program, and these folks can fall into this one." We have to create the one program such that all agricultural is included in the one program and isolated to that. Like I said, that is our primary vehicle for tax relief for agriculture. That is the bread and butter of the agricultural industry. We need to focus on that to make sure everyone funnels through there and everyone will be equal. We got away from the whole equity portion of this. The tree farms pay zero (\$0) and everyone else pays through the Agricultural Dedication Program. I do not want to abandon that portion of this. I think that is really a huge part of our intent, to create equity within the entire agricultural industry, all facets of agricultural. I will leave it at that.

Committee Chair Evslin: We will take a ten-minute caption.

There being no objections, the meeting recessed at 10:52 a.m.

The meeting reconvened at 11:02 a.m., and proceeded as follows:

Committee Chair Evslin: Members, are there any further questions?
Councilmember Kuali'i.

Councilmember Kuali'i: Reiko, are you there?

There being no objections, the rules were suspended.

Ms. Matsuyama: Hi, I am sorry.

Committee Chair Evslin: Councilmember Kuali'i has a question.

Councilmember Kuali'i: When you were talking about the hardship of managing a new application. Say you got an application on September 1st, the application is for the exemption to plant in the new acreage and going forward. Do they have a certain amount of time to plant?

Ms. Matsuyama: I might have to defer to Mike on that one. I do not know the specifics.

Councilmember Kualii: In essence, your managing or paying attention to this is to ensure that they are actually planting and following their plan. Once the trees are planted, you are not really doing anything except watching the trees grow for twenty (20) or twenty-five (25) years. Then you said at the end, you have to be made aware of their harvest, and then the exemption ends for those parcels. It does not seem like a ton of work for a new application, but you can tell me if I am wrong.

Ms. Matsuyama: It is hard work to monitor. Like I said, we only have one (1) person doing all the agricultural work. They do things such things as thinning. How that differentiates between harvest can be hard to identify. What I was referring to before on the twenty-year agricultural dedication will be on different cycles even though they are adjacent properties. It is not just receiving the application saying, "Okay, it sounds reasonable, yes, you are in." There is constant monitoring that happens throughout the exemption.

Committee Chair Evslin: Councilmember Cowden, do you have a question?

Councilmember Cowden: Yes, thank you. I successfully got ahold of Green Energy Team while we were on break. They said they sent us an E-mail earlier, I asked them to send it again. It came in as Council testimony. We should all be seeing it. I do not see an earlier date, but this came quickly and so, it is doubtfully rewritten. It is part of their routine to be putting in new applications. They have a plan to put in another application. I know this is a question. I will forward this E-mail to the both of you.

Ms. Matsuyama: We just received it; I have not had a time to review it.

Councilmember Cowden: You received it. I think it supports what Councilmember Kualii is saying. They are investors. I know that there are challenges on the investors, so it makes it hard for them to trust the government of Kaua'i when they are big and quick changes. They have over three thousand two hundred (3,200) acres of land. It seems that the long-term price that is out there right now. The benefit with the Agricultural Dedication is not that much, but it is more than nothing. This is different than what my understanding was when we were in our conversation. I really appreciate everything we talked about. I was under the impression that there were no new applicants coming in. I guess this application is waiting and ready to go. For me, I would be supportive of doing a deferment on this, so that there can be a robust conversation on what this is. I was surprised that they are not more involved and to be watching this. Apparently, they did not get my earlier messages. Please look at this. I think it is important. It does not shift my support for the next two (2) Bills. Having been in business for decades, it is important to be able to rely on commitments for which long-range planning has had. I feel best that if we can talk to the applicant that is the main user of this type of property. I am not necessarily trying to support them; I am trying to support any honorable businesses. That would be my input.

Ms. Matsuyama: Being that we just received this. I have not had time to really review it and think of it thoroughly. Deferring, having a meeting with them, and reviewing what their testimony says might be appropriate.

Councilmember Cowden: Thank you. Thank you for all your diligent hard work. I want to thank RPT because the volume and importance of what you are doing is extraordinary. I respect what Councilmember DeCosta is speaking about relative to environmental impacts of clearcutting regardless of if it is a planted forest or not. The life that surrounds at the ecosystem still occurs. I acknowledge all of that. That is the position that I am going to want to support. I want discussion to continue to happen, but I will be willing to move to defer when it is time.

Committee Chair Evslin: Are there any final questions for the Department of Finance? While the rules are still suspended, is there anyone in the audience who wants to testify? Is there anyone on Zoom remote technology here to testify? No. I will call the meeting back to order. We will do final discussion and if there is a move to defer, we will make that motion. Is there any final discussion? Councilmember Chock.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Councilmember Chock: I can go along with where the body wants to go on this given the Department of Finance's request to have this discussion further with this potential applicant. When that meeting occurs, we might get further insight as to the future of how this new application would be utilized. For the Council and as we discussed, is this in alignment with our goals so that we can support it? I do not think we should be legislating for one organization or company. I think we also have shared interests that we want to accomplish. If we can get more information in this time of deferral it would be beneficial to the final decision. Thank you.

Committee Chair Evslin: Is there further discussion?

Councilmember DeCosta: I wanted to reiterate what Councilmember Chock said about lobbying for one (1) company. Do you know what is so funny? We had two (2) smaller companies, ranchers. I believe it was Wayne Souza and Kimo Akita, who got displaced from their cattle ranch operation on two (2) different parcels of land to grow trees. Let me remind all of you, trees are not harvested with electric bulldozers and excavators. They are harvested with large diesel equipment. With that being said, we never advocated for those two (2) ranchers who got displaced off their land. It seems funny how we advocate for Green Energy Team. If we need to do the deferral, I guess I have no choice. I am going to wait and see how the vote goes. I rest.

Committee Chair Evslin: Is there further discussion?

Councilmember Kualii: I am glad you transitioned from the word “lobbying” to “advocating.” As Councilmembers, I think it is our job to advocate. I am not advocating for any one (1) company. I am advocating for the environment. You keep hearing about equity. I want to put it out there that the whole thing around this was originally put forward for another purpose. I understand that it was for the lumber industry. The additional benefit we get from a Tree Farm Development Exemption...we would be growing more trees. Sadly, it is not what happened. Why would we not have food forest, hundreds of acres of food forest? The growing of trees helps our environment, period. The point about equity between agricultural...with all farming and agricultural there is inherent risk; weather, soil fertility, et cetera. The payback for the different types of farming happens at a different rate. Tree farms take twenty-five (25) to thirty (30) years. That is why the exemption is there at zero (\$0) for that period. They are making money until they harvest those trees. This makes clear sense and the fact that we are getting rid of it, I do not know. It will make clear sense if we want more tree farms. Initially, that is what we committed to. It is not unreasonable, discriminatory, unfair, or inequitable. Equity means you treat everyone differently so that they end up at the same starting point – you know, that graph with the shorter person. To use that equity argument, to me is wrong. I was prepared to put forward an amendment to extend and not make the deadline be immediate. I do not see any rush, but to make the date be September 15th, and to give time for new applications. I held that back and going with what the Administration can support and supporting a deferral. If Councilmember Cowden makes the motion, I will be happy to second it.

Committee Chair Evslin:

Councilmember Cowden.

Councilmember Cowden: I will do that. I want to make a comment that I certainly do not place large industry over cattlemen. We want to make sure that everybody is treated rightfully by our government and what I always say, we want a win-win. We want things to be fair. We want to avoid what seems relentless litigation that happens for our County. My hope is that when we come up with the Agricultural Dedication amendment this summer, and that it is going to be great, we will be able to extinguish this and all the other Bills because it will be handled well. I have faith in our RPT team. Right now, we need to make sure that we are fair to all. In the interest of having a conversation with the impacted business applicant, this Agricultural Dedication Bill is about business, I move to defer.

Committee Chair Evslin: There is further discussion. If you do not mind, can you withdraw that, finish our final discussion, and then take the motion to defer.

Councilmember Cowden withdrew the motion to defer Bill No. 2845.
Councilmember Kualii withdrew the second.

Committee Chair Evslin: Councilmember DeCosta, followed by Council Chair Kaneshiro.

Councilmember DeCosta: I want to introduce something that I hope can negotiate the deferral and move the date to July 1st. This will allow everyone to have an equal chance at the deadline.

Councilmember DeCosta moved to amend Bill No. 2845 as circulated, and as shown in the Floor Amendment which is attached hereto as Attachment 1, seconded by Councilmember Chock.

Committee Chair Evslin: Do you have a discussion?

Councilmember DeCosta: I want to read this. This Ordinance shall take effect upon its approval provided that the repeal of Chapter 5A, Section 11.26, Kaua'i County Code would be approved by the Director prior to the effective date of July 1, 2022.

Committee Chair Evslin: I think it is deleting that language and saying that it shall take effect on July 1st, right? Okay.

Councilmember DeCosta: This will allow all the applicants who are interested will still have that effective date and it would not be affected if we were to vote on this.

Councilmember Kualii: I had a process question on the timeliness on these Bills taking effect. The original Bill said to take effect upon approval. Depending on how long it takes to get approved, what would be the soonest date? Would it be before July 1st?

Council Chair Kaneshiro: It would be before July 1st because if you deferred it for two (2) weeks and voted, it would come up again in another two (2) weeks in full Council. That would be one (1) month. One (1) month from now is in June, and the Mayor has ten (10) days to sign.

Councilmember Kualii: It would be the first week of June. It is giving us three (3) additional weeks. I have no problem supporting this, because it is giving us three (3) additional weeks from what is currently on the record. I still want more time and I am going to eventually support the deferral.

Committee Chair Evslin: Is there any further discussion on the amendment?

Councilmember Chock: Committee Chair, I will support it as well.

Council Chair Kaneshiro: I am not on the Committee. I think that the July 1, 2022 deadline makes sense because that is the actual deadline that everyone has to turn in their dedication for this upcoming year. To put a deadline that is past that does not make sense. You may as well make the next deadline July 1, 2023, which is another year and one half (1½) out. Who knows where anything is going to be by then? I think the July 1, 2022 deadline makes sense. If someone needs to dedicate, then they can dedicate it now. We were made aware of the situation, and they should start RPT to get their land dedicated.

Committee Chair Evslin: Is there any further discussion?
Councilmember Carvalho.

Councilmember Carvalho: I am not on the Committee, but I support the July 1st date. We moved that for discussion, gave time for it, and the Department of Finance agrees. I think it is a good move going forward, giving it more time, and so I support that.

Committee Chair Evslin: Councilmember Cowden.

Councilmember Cowden: I am clarifying what this says. This is saying to put the date on there of July 1st. What the group is asking for is rather than a deferral, you want to pass this with the July 1st deadline which gives the opportunity for the conversation, is that what you are saying? Or would we still defer and to me it seems it should be July 1st. What are you asking?

Committee Chair Evslin: From what I have heard, it sounds like some Members are still supporting a deferral. When the motion for a deferral comes up, I think we will see where the votes land. There seems to be some support for a deferral along with this amendment.

Councilmember Cowden: Would we vote on the amendment then vote after it is amended to determine if there will be a deferral? Is that correct?

Committee Chair Evslin: Yes.

Councilmember Cowden: Okay. I am good with that.

Committee Chair Evslin: I support the amendment. I will be supporting a deferral if someone makes that motion. Is there any final discussion on the amendment?

Councilmember DeCosta: I was hoping the amendment would not have to lead to a deferral because we are giving everyone an opportunity the extension of July 1st.

Councilmember Kualii: I had an amendment and I did not introduce it because we were going to do a deferral.

Committee Chair Evslin: Let us take the vote on the amendment, we will go to final discussion on the Bill, we can close out that discussion and if someone wants to move to defer, they can do so at that time. We will take a roll call vote on the amendment.

The motion to amend Bill No. 2845, as circulated, and as shown in the Floor Amendment, which is attached hereto as Attachment 1 was then put, and carried by the following vote:

FOR AMENDMENT:	Chock, Cowden, DeCosta, Kualii, Evslin	TOTAL – 5,
AGAINST AMENDMENT:	None	TOTAL – 0,
EXCUSED:	None	TOTAL – 0,
RECUSED:	None	TOTAL – 0.

KARLYN SUKEHIRA, Council Services Assistant I: Five (5) ayes.

Committee Chair Evslin: The amendment passes. We will finish our final discussion on the Bill. Some of you have already spoken earlier. Are there any other final thoughts before we take the motion to defer and if there is one? I will say briefly, I support the move to defer. I think the time that we already had has certainly given me time to clarify my own thoughts on the Bill. I really appreciate the work that Councilmember DeCosta has done here, and the work that the Department of Finance has done. I have come around to my own thinking recognizing that I do not think that tree farms should receive a beneficial tax rate if they are on prime agricultural land. If it is flat land, irrigated, and rated by the State as “A” or “B” level land—it should be producing food or at least we should try to incentivize tree farms. Further, I recognize that the Department of Finance is overworked and understaffed. If we can streamline their work, they can do a better job at enforcing other existing programs. With all of that said, while recognizing that the Ordinance is flawed, I think that there is room still for some type of beneficial rates for tree farms and for all the reasons we already spoke about. The original State Tree Farm Development Exemption in 1963, which applied Statewide...the intent was to incentivize tree farms on marginal agricultural land. That is agricultural land that is not going to be likely to produce food crops. I think there is certainly a need for that. If we are talking about farmers, I think there is a need for a beneficial tax rate, or at least long-term certainty for tree farms given their long payoff period. Given that, I think there is value in keeping this discussion going in some capacity. Also, to recognize that we have heard that the Tree Farm Development Exemption has not been effective. We received some testimony to that effect. We have heard repeatedly from others. If you are looking at Green Energy Team, that is certainly not the case. The Tree Farm Development Exemption has been effective. Green Energy Team produces eleven percent (11%) of our energy for Kauai. It is the reason that we are basically independent of foreign oil. It is part of the reason that our rates are still stable while

the rest of the State is not. If oil costs go up, we are not impacted here. It produces forty-eight million dollars (\$48,000,000) in revenue annually with money that is staying on Kaua'i and not going to overseas oil. Not to mention, the incredible carbon benefits of burning trees that are getting replanted rather than burning foreign oil. I think the Tree Farm Development Exemption has achieved something that will be significant, that is worth the continued discussion. With all of that said, recognizing that the current Ordinance is flawed for a variety of reasons, but there is value here in something. I will ultimately support a deferral if that motion is made. Council Chair Kaneshiro.

Council Chair Kaneshiro: I guess for me, I do not think the Bill is flawed. Again, I am not on the Committee. When you look at it, there is a tax incentive for all agriculture. That is the Agricultural Dedication process. That is the process that they want to change everyone back to. Right now, we do not give any exemptions for cattle farming, diversified agriculture, and growing lettuce. Anyone with a farm orchard under fifty (50) acres, we do not give any exemptions. If we start going down the path of economic viability, we are never going to come to a conclusion on it. A tree farm may be good one year and it may be horrible the next year. Cattle prices may be good one year and may be horrible the next year. We may have a storm and our whole diversified agriculture industry is in the dumps. You cannot look at it based on its economic viability and try to pick a number that is going to fit that category. You have to look at it holistically, take a step back, and say, "What do we want to do, what are we trying to accomplish, and what is fair and equitable amongst everyone?" The Department of Finance is coming in and saying that it is very difficult to implement a program where you are giving someone a twenty-five-year exemption and keep track or hope those people tell you when you did your first harvest so that you can go change your RPT. Can you imagine if you have ten (10) or fifteen (15) of those? The agricultural inspectors are not going out every single year to see if they cut a tree here or not, did they grow? Is it diversified agriculture or pasture, they can go there any time of the year, they can look to see if there is fencing or animals, then they can go to a diversified agriculture farm. They can look on Google Maps to say, "These people are actively farming." For them to figure out if a tree farm harvested their first harvest, that is what they mean when they say it is very difficult to implement and that is what they are trying to get away from. Create equity. We are not giving any exemptions to any other agricultural industry out there. Every single agricultural industry has a difficulty. I give anyone credit going into agriculture, whether it is tree farming, ranching, crop farming, et cetera. Again, we are trying to make it simpler on our Administration and making it fair. That is what we are trying to do. I think we are going all over the place if we are going to say, "No, let us wait until the new Agricultural Dedication processes through." If you are looking at this Bill, can you imagine how long it is going to take the Council to pass an overlap and redoing of our Agricultural Bill? That might not happen for another two (2) years. What are we going to do, drag this process out where the Department of Finance is saying, "We want to change it now, we want to make it easier for us to implement, we want to make it equitable." Those are my comments on it as we move forward. I heard us go all over the place. I think by putting in this July 1st date it is a good date, it is a date anyone wants to dedicate their land now, they should turn all of their information in. If anyone wants to dedicate their tree farms, they should do it now.

Committee Chair Evslin: Thank you, Chair. If I could clarify. When I said the Ordinance is flawed, I mean the existing Tree Farm Development Exemption on the books is flawed and not necessarily the Bill. Even with a deferral, I personally think I will support the repeal Bill. What I am trying to say is that I think there is value in trying to create a program in the future that will give beneficial rates possibly above and beyond the Agricultural Dedication Program for use of marginal farmland that cannot be used for food production. Councilmember DeCosta.

Councilmember DeCosta: I would like to sum it up before you request anything. We did our homework and we had two (2) weeks. Please be open and receptive. The Department of Finance agreed to meet with Green Energy Team. This issue that we are talking about can be taken up on the final and second reading to be discussed amongst all seven (7) of us. Why can that not happen? I am ready to move on this today. We can put it in second reading at the next meeting where all seven (7) of you can chime in. At that point, we can decide. The Department of Finance will have time to talk to Green Energy Team in between that time. What would make the deferral more substantial when the Department of Finance already agreed to talk to Green Energy Team. Am I missing something here? Is anyone else going to do something during the deferral period? The Department of Finance agreed to talk to them with or without the deferral. Reiko, am I correct?

Committee Chair Evslin: If you have further questions, I will suspend the rules if you want to bring Reiko back.

Councilmember DeCosta: No. I wanted to clarify my discussion point. I am telling you that they agreed on the floor that they were going to talk to Green Energy Team when this E-mail came in. I am asking.

There being no objections, the rules were suspended.

Ms. Matsuyama: Yes. We will reach out to Green Energy Team and try to contact them.

There being no objections, the meeting was called back to order, and proceeded as follows:

Councilmember DeCosta: Okay. At the second and final reading, there could be amendments introduced, more discussion on the floor, right? We still need to approve as a seven (7) unit group. I do not see why we cannot move on that today.

Committee Chair Evslin: From my own perspective, the reason why I personally support the deferral and if someone makes that motion is because as we heard from Councilmember Kuali'i, he was considering an amendment for the date to be September. Also, there was discussion around the possibility of having it in line with the agricultural dedication. We try to avoid any amendments at second reading. Given the fact that there might be work here to do, to me, a two-week deferral could be prudent as long as we all come to that meeting with a firm idea of whether we want an amendment and having that ready to go, or if we want to extend that to a line of agriculture dedication. Be prepared with the direction we want to go, and vote on it in two (2) weeks. Does that sound okay? Councilmember Kuali'i, final discussion.

Councilmember Kualii: For my final discussion, I want to thank Councilmember DeCosta for his work and the Department of Finance for all of their work. I will not repeat all the things that you said, but I will ditto the comment from our Committee Chair. I am ready to support a deferral.

Committee Chair Evslin: Councilmember Cowden.

Councilmember Cowden moved to defer Bill No. 2845, Draft 1, seconded by Councilmember Kualii, and carried by the following vote:

FOR DEFERRAL:	Chock, Cowden, Kualii, Evslin	TOTAL – 4,
AGAINST DEFERRAL:	DeCosta	TOTAL – 1,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Committee Chair Evslin: The Bill is deferred. Clerk, could you please read the next item on our agenda?

The meeting proceeded on its agenda items, as shown in the following Committee Reports which are incorporated herein by reference:

CR-FED 2022-01: on Bill No. 2846 A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A, KAUAI COUNTY CODE 1987, AS AMENDED, BY REPEALING ARTICLE 10, RELATING TO VALUATION OF WASTELAND (**Approved.**)

CR-FED 2022-02: on Bill No. 2847 A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A, KAUAI COUNTY CODE 1987, AS AMENDED, BY REPEALING SECTION 5A-11.25, RELATING TO ORCHARD DEVELOPMENT EXEMPTION (**Approved.**)

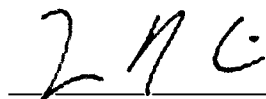
There being no further business, the meeting was adjourned at 11:32 a.m.

Respectfully submitted,



KarLyn Sukehira
Council Services Assistant I

APPROVED at the Committee Meeting held on May 4, 2022:



LUKE A. EVSLIN
Chair, FED Committee

(April 20, 2022)

FLOOR AMENDMENT

Bill No. 2845, RELATING TO REAL PROPERTY TAX (*Tree Farm Development Exemption*)

Introduced by: BILL DECOSTA, Councilmember

Amend Bill No. 2845, SECTION 7, to read as follows:

“SECTION 7. This Ordinance shall take effect [upon its approval, provided that the repeal of Chapter 5A, Section 11.26, Kaua‘i County Code 1987, as amended, shall not affect any application that has been approved by the Director prior to the effective date of this Ordinance] July 1, 2022.”

(Amended material is highlighted.)