

P3, B12 R-3
P10, B30 R-1
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HONOLULU, HAWAII

March 21, 2012

Testimony

To: Re Bill 12 and Bill ³⁰~~20~~ to Correct the Problems Inherent in Bill 44

Mr. Chairman,

Thank you for accepting my testimony. My name is Elizabeth Martinez.

My husband I have an organic farm, aquaponic and permaculture farm in Waimanalo. We are implementing Natural Farming practices as taught by Master Cho of Korea. Natural farming includes animals. Our horses are an integral part of the fertility program for our farm. We raise composting worms in horse and chicken manure and sell composting worms, worm castings and worm tea to gardeners for fertilization. We also use worm castings in starting seedlings and worm tea in our aquaponic systems to provide minerals and ecological balance.

I want the provisions of Bill 44 to be repealed or revised through the adoption of either Bill 12 or Bill 30 with the following comments and considerations.

CONCERN: It is of concern that according to several council members, Bill 44 was read three times apparently without the Council members realizing that it was intended to target gentleman farms. It is also of concern that affected horse operations and individuals, who are not gentleman farmers, were not given any advance notice of a bill that would increase the property tax for the Ag portion of their land by a factor of 100.

We recognize that:

- Horses in the Ag lands help to preserve open spaces and maintain our state's rural traditions and historical heritage.
- Horse sports are recognized as recreation for participants and spectators.
- Horse-related activities such as 4-H, pony clubs, and therapeutic riding can help build children's self-confidence and physical agility and teach responsibility and better citizenship.
- The horse industry is one of the foundations of the rural economy. If we weaken the horse sector by destructive taxation, we weaken the overall rural economy.

Economic Subsidy, Stabilizer or Stimulus

Many people don't realize that the Ag Structures, such as a greenhouse or a \$200K barn to park the farmer's tractor in, will cost the farmer \$1140 (\$5.70 per thousand at the Ag rate) in property tax every year. His \$300,000 house will cost him \$1050 (\$3.50 per thousand at the residential rate). So when someone has a building to shelter horses or cattle, they will pay handsomely in taxes. Even if the farmer builds an Ag structure himself to save money, he gets taxed at the value the assessor puts on it, typically \$90 per square foot. There is no Ag dedication tax relief on the Ag structures like the barn. These structures are taxed whether they make any money for the farm, or not.

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So we dispute the notion that horses would be subsidized in either a commercial stabling situation or if stabled on private land. In both situations horses generate economic activity in rural areas, involving feed stores, vets, farriers, groomers, trainers, etc.

Ag dedication benefits, not only the individual farmer/lessee/owner of the land, but acts as a stimulus for economic activity in our rural communities.

Whether Bill 12 or 30 is used to correct the problems with Bill 44, I want the following:

- Dedication of Ag land to be available for any use of Ag land that is legal on Ag land
- Ag dedication for uses involving animals to not be restricted to animals used for food production.

Rationale: Plant/crop uses are not restricted to food. So ducks could be kept for meat, eggs and weeding. Goats for meat, milk or weeding, chickens for meat, eggs, feathers, manure, sheep for meat or wool, horses used for recreation, breeding, farm work, manure, etc.

- Horses included in the description of livestock in stabling/boarding/pasturing, whether for recreation, breeding, cultural and educational activities, competition, working horses, etc. Recognizing the value of horses in recreation, education, cultural activities, search and rescue, police patrols, and as working farm animals.
- Inclusion of horses kept on private property for the same purposes as they are kept in stables or pasture., including leasing, shareboarding and rental.
- Ag-1, Ag-2 and P-2 lands as valid for grazing of livestock including horses.
- Ag. dedication to be an option for all lot sizes in the Agriculture designations. Per the President of the Hawaii Farm Bureau 85% of the food producing farms in Hawaii are under 2 acres.
- That some provision be to allow dedication for eligible AG use for those on revocable permits which are renewed annually.

Thank you!

Elizabeth Martinez

Olomana Gardens

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