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

Madam:

Your Committee on Ways and Means, to which was referred S.B.
No. 2020, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to establish an
agricultural foreign-trade zone, including its boundaries,
jurisdiction, and benefits.

Your Committee received written comments in support of this
measure from the Hawaii Farm Bureau Federation, Sugarland Growers,
and one individual. Written comments on this measure were
submitted by the Department of Business, Economic Development, and
Tourism.

Your Committee finds that foreign trade zones are secure
areas under the supervision of the United States Customs and
Border Protection and are located in or near ports of entry.
Foreign trade zones provide the benefit of allowing goods to be
placed in the foreign trade zone and thus not be subject to United
States duty or excise tax. Furthermore, Customs and Border
Protection provides added security for the transfer of goods or
merchandise in and out of the foreign trade zones. Your Committee
further finds that a foreign trade zone will allow Hawaii's
farmers and ranchers to fairly compete with overseas producers.

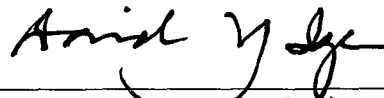Your Committee has amended this measure by:

(1) Recasting the language that explicitly establishes the agricultural foreign-trade zone by authorizing the Governor to do all things necessary to seek federal approval of the agricultural foreign-trade zone, to more accurately reflect the existing foreign-trade zone establishment process;

(2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and

(3) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2020, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2020, S.D. 2.

Respectfully submitted on behalf of the members of the Committee on Ways and Means,

DAVID Y. IGE, Chair

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:
SB2020.SD1	EGH/TIA/AGL,WAM	2-19-14

☐ 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
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani				✓
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.				✓
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam	✓			
	11	0	0	2

Recommendation:

☑ Adopted   ☐ Not Adopted

Chair's or Designee's Signature:

Michelle N. Kidani

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*Only <u>one</u> measure per Record of Votes

Revised: 07/01/13