

STAND. COM. REP. NO.

670

Honolulu, Hawaii

FEB 19 , 2021

RE: H.B. No. 1144
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1144, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Exempt from the general excise tax law amounts received from the interisland transportation and related loading and unloading of agricultural commodities, regardless of whether the agricultural commodities were produced in the State; and
- (2) Require the Public Utilities Commission to authorize preferential water carrier service rates by tariff for ratepayers that operate farms or ranches located in any county with a population equal to or less than five hundred thousand.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau and Maui County Farm Bureau. Your Committee received comments on this measure from the Department of Taxation, Department of Commerce and Consumer Affairs, Department of Agriculture, Public Utilities Commission, Tax Foundation of Hawaii, Young Brothers, and Ulupono Initiative.

2021-1882 HB1144 HD2 HSCR HMSO



Your Committee notes the importance of the continuation of essential services, such as interisland transportation, at affordable rates. Although preferential rates are one option to provide direct savings to a specific customer group, the costs are likely to be borne by all other customers through base rates or other recovery mechanisms.

Your Committee has amended this measure by:

- (1) Deleting the requirement that the Public Utilities Commission authorize preferential water carrier service rates by tariff for ratepayers that operate farms or ranches located in any county with a population equal to or less than five hundred thousand; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1144, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1144, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



AARON LING JOHANSON, Chair



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 1144 HD 1	Committee Referral: WAL, CPC, FIN	Date: 2/17/21		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)	✓			
2. KITAGAWA, Lisa (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. HAR, Sharon E.				✓
5. HASHEM, Mark J.	✓			
6. KONG, Sam Satoru	✓			
7. MIZUNO, John M.	✓			
8. MORIKAWA, Dee	✓			
9. ONISHI, Richard H.K.	✓			
10. TARNAS, David A.	✓			
11. MATSUMOTO, Lauren	✓			
TOTAL (11)	10	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____ <i>[Signature]</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				