

STAND. COM. REP. NO.

1077

Honolulu, Hawaii

MAR 19 , 2021

RE: S.B. No. 496
S.D. 2
H.D. 1

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

Sir:

Your Committee on Agriculture, to which was referred S.B. No. 496, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose of this measure is to reduce the State's reliance on imported produce by:

- (1) Establishing within the Department of Agriculture a task force to identify the top ten imported fruits and vegetables that may be commercially grown by farmers in Hawaii; and
- (2) Creating an agricultural import replacement tax credit to incentivize local production of these fruits and vegetables.

Your Committee received testimony in support of this measure from the Hawai'i Farm Bureau, Ulupono Initiative, Hawaii Food Industry Association, Climate Protectors Hawaii, Environmental Caucus of the Democratic Party of Hawai'i, Energy Research Systems, and five individuals. Your Committee received comments on this measure from the Department of Taxation, Department of

2021-2516 SB496 HD1 HSCR HMSO-1



Agriculture, Department of Budget and Finance, and Tax Foundation of Hawaii.

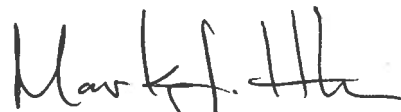
Your Committee finds that increasing local food production in Hawaii strengthens food self-sufficiency and security, keeps more money in the local economy, and protects the State's environment.

Your Committee has amended this measure by:

- (1) Removing the task force and instead amending Act 151, Session Laws of Hawaii 2019, to require the Department of Agriculture, in cooperation with the Office of the Governor, to identify the top ten fruit and vegetable imports to the State that may be commercially grown by farmers in Hawaii and make recommendations on increasing production of those fruits and vegetables;
- (2) Removing the agricultural import replacement tax credit; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 496, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 496, S.D. 2, H.D. 1, and be referred to your Committee on Economic Development.

Respectfully submitted on
behalf of the members of the
Committee on Agriculture,



MARK J. HASSEM, Chair



Record of Votes of the Committee on Agriculture

Bill/Resolution No.: SB 496, 302	Committee Referral: AGR, ECO, FIN	Date: 3/17/21		
<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)				
AGR Members	Ayes	Ayes (WR)	Nays	Excused
1. HASHEM, Mark J. (C)	✓			
2. PERRUSO, Amy A. (VC)	✓			
3. LOWEN, Nicole E.	✓			
4. MARTEN, Lisa	✓			
5. MATAYOSHI, Scot Z.	✓			
6. TODD, Chris	✓			
7. TOKIOKA, James Kunane	✓			
8. MATSUMOTO, Lauren	✓			
TOTAL (8)	8			
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: <u>Amy Perruso</u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				