

Honolulu, Hawaii

FEB 13 2020

RE: S.B. No. 3038
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 3038 entitled:

"A BILL FOR AN ACT RELATING TO TARO,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a state income tax exemption for taro production.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Pono Hawai'i Initiative, Hawai'i SEED, Ho'oulu 'Aina Farms, Kalona Brand Company LLC, Hawai'i Farm Bureau, and twenty-nine individuals. Your Committee received comments on this measure from the Department of Taxation and Department of Agriculture.

Your Committee finds that it is of critical importance to protect and perpetuate the traditional practice of taro farming as part of Hawaii's cultural identity and its role in local food security. Loi kalo, or wetland taro systems, are recognized for their potential to mitigate impacts of climate change by functioning as riparian buffers and soil capture basins. Also, underground foods, such as taro, can often survive hurricane or flood events and be harvested to address immediate food shortages where the capacity to store and cook food can be retained. Your Committee finds that this measure creates stronger economic incentives for new taro farmers, improves the livelihoods of



existing taro farmers, and reduces the cost of poi for local families by exempting taro production from state income taxes.

Your Committee has amended this measure by:

- (1) Establishing the income tax exclusion for taro production as a new section in the Hawaii Revised Statutes, rather than amending an existing statute;
- (2) Clarifying that the exclusion shall not apply if at any time during the year the total amount of land for locally grown taro in the State surpasses thirty thousand acres, as determined by the Department of Land and Natural Resources; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3038, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3038, S.D. 1, and be referred to your Committee on Ways and Means.

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

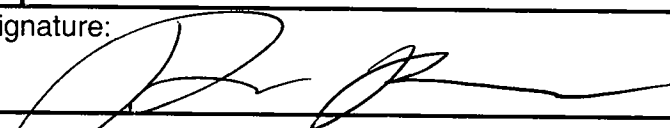


MIKE GABBARD, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:* SB 3038	Committee Referral: AEN, WAM	Date: 02/10/2020		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	X			
RUDERMAN, Russell E. (VC)	X			
RHOADS, Karl				X
THIELEN, Laura H.	X			
FEVELLA, Kurt				X
TOTAL	3	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-size: 2em; margin-top: 10px;">  </div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes