

STAND. COM. REP. NO.

1281

Honolulu, Hawaii

MAR 17 , 2023

RE: S.B. No. 113  
S.D. 2  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred S.B. No. 113, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE LABELING OF PRODUCTS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Clarify that the operating and overhead expenses incurred and spent within the State are included in any calculation to determine whether an item labeled "Hawaii Made" or "Made in Hawaii" has met the requirement that at least fifty-one percent of the wholesale value of the item is added by manufacture, processing, or production within the State; and
- (2) Appropriate funds to promote and develop the "Made in Hawaii" brand.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawai'i Forest Industry Association; Hawaiian Host Group; Maui Chamber of Commerce; Hawaii Food+ Policy; and two individuals. Your Committee received comments on this measure from the Department of Agriculture and Retail Merchants of Hawaii.

2023-2567 SB113 HD1 HSCR HMSO



Your Committee finds that this measure will allow businesses in Hawaii to have their products more easily meet the threshold of having its wholesale value of the product be fifty-one percent manufactured, processed, or produced within the State to be labeled as "Hawaii Made". Your Committee further finds that including the operating and overhead expenses incurred and spent within the State in any calculation in determining whether an item meets the statutory threshold to be labeled "Made in Hawaii" would allow substantially more businesses to have their items qualify to be labeled as "Made in Hawaii".

However, your Committee notes that the Measurement Standards Branch of the Department of Agriculture is tasked to provide enforcement for many programs that the Department manages. Your Committee believes that allowing for more businesses to have their items qualify to be labeled as "Made in Hawaii" would make it more challenging for the Measurement Standards Branch to adequately carry out its duties.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have included the operating and overhead expenses incurred and spent within the State in any calculation to determine whether an item labeled "Made in Hawaii" has met the requirement that at least fifty-one percent of the wholesale value of the item is added by manufacture, processing, or production within the State;
- (2) Changing its effective date to June 30, 3000, to encourage further discussion; 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 Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 113, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 113, S.D. 2, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development,



---

DANIEL HOLT, Chair



