STAND. COM. REP. NO. 1297

Honolulu, Hawaii

MAR 2 3 2007

RE:

H.B. No. 1220

H.D. 1

S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Madam:

Your Committee on Water, Land, Agriculture, and Hawaiian Affairs, to which was referred H.B. No. 1220, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURAL MARKETING,"

begs leave to report as follows:

The purpose of this measure is to establish a special fund to collect revenues from the Seal of Quality program.

Specifically, this measure requires that all revenues from the Seal of Quality program, donations, and any appropriations made by the Legislature be deposited into this special fund. The deposited funds shall be used for costs relating to the program, including any promotional or advertising activities and materials.

The Seal of Quality program is established pursuant to section 148-61, Hawaii Revised Statutes, to promote and ensure high standards of quality for fresh and processed agricultural products produced in the State. The program generates revenues through licensing and promotional use fees.

Your Committee received testimony in support of this measure from the Department of Agriculture; the Hawaii Farm Bureau Federation; Hawaii Florists & Shippers Association; Green Point Nurseries, Inc.; the Hawaii Agriculture Research Center; Nalo Farms; Hamakua Springs Country Farms; the Kamauoha Foundation; the North Shore Cattle Company, LLC; Paradise Flower Farms; Kamiya

Gold Inc.; Ali'i Kula Lavender; and Kona Pacific Farmers Cooperative.

Your Committee believes that this measure is a positive step in creating a self-reliant Seal of Quality program that provides recognizable value to those who participate in it.

Your Committee requests that the Committee on Ways and Means explore and, if feasible, implement an alternative method to disburse revenues from the Seal of Quality program other than through the establishment of a special fund. Your Committee has concerns that too many special funds already exist in the State treasury.

Your Committee has amended the bill by deleting the section that made an unspecified appropriation of the Seal of Quality Special Fund.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1220, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1220, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Water, Land, Agriculture, and Hawaiian Affairs,

RUSSELL S. KOKUBUN, Chair

Russells. Gr

The Senate Twenty-Fourth Legislature State of Hawaii

Record of Votes Committee on Water, Land, Agriculture and Hawaiian Affairs WAH

Bill / Resolution No.:*	Committee Referral: Date:				
HB 1220 HD1	WAH, WAM 3/21/07				
The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
KOKUBUN, Russell S. (C)		X			
TOKUDA, JIII N. (VC)		<u> </u>			
FUKUNAGA, Carol					X
HEE, Clayton					<u> </u>
SLOM, Sam		#21546106001FEN-E88080		_ X	
		35-15-25-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-			
TOTAL		2	Ø		2
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency					

*Only one measure per Record of Votes