STAND. COM. REP. NO. 67

Honolulu, Hawaii

FEB 0 8 2007

RE: S.B. No. 715

S.D. 1

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

Madam:

Your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Tourism and Government Operations, to which was referred S.B. No. 715 entitled:

"A BILL FOR AN ACT RELATING TO THE PROCUREMENT CODE,"

beg leave to report as follows:

The purpose of this measure is to promote Hawaii's agricultural industry by encouraging the purchase and use of Hawaii agricultural products.

More specifically, this measure adds a new section to the State Procurement Code under chapter 103D, Hawaii Revised Statutes, to provide incentives for food operations of state correctional facilities and state hospitals and healthcare facilities to award contracts to the lowest responsible and responsive bidder with preferences given to agricultural products raised or grown in Hawaii.

Testimony in support of this measure was submitted by the Department of Agriculture, the Department of Accounting and General Services, the State Procurement Office, the Hawaii Farm Bureau Federation, the Maui County Farm Bureau, the Hawaii Agriculture Research Center, and the Maui Economic Development Board, Inc. A private individual submitted comments.

Hawaii heavily depends on the importation of food and goods. It is becoming increasingly more difficult for Hawaii agricultural producers to compete with foreign and out-of-state agricultural

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producers because Hawaii agricultural producers are faced with high labor costs, land values, and transportation costs. As a result, there is much debate on the issue of Hawaii's food supply security and sustainability. Your Committees find that state agencies should assist in promoting and maintaining of Hawaii's agricultural industry by providing a preference within the State Procurement Code for agricultural products raised or grown in Hawaii. Your Committees believe that establishing a preference program within the State Procurement Code for agricultural products raised and grown in Hawaii fulfills the intent of this measure, which is to promote and protect Hawaii's agricultural industry, and enable a more viable food security future for Hawaii.

Your Committees have amended this measure by:

- (1) Adopting the suggested amendments from the State
 Procurement Office by deleting section 1 of this measure
 and replacing it with language that:
 - (A) Adds a new definition for "Hawaii agricultural products" to section 103D-1001, Hawaii Revised Statutes; and
 - (B) Amends section 103D-1002, Hawaii Revised Statutes, by adding a new subsection for the purpose of encouraging the purchase and use of Hawaii agricultural products in food operations of state correctional facilities and state hospitals and healthcare facilities, and requiring the Department of Agriculture, with the assistance of the State Procurement Office, to develop a Hawaii agricultural product program; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Tourism and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 715, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 715, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Water, Land, Agriculture, and Hawaiian Affairs and Tourism and Government Operations,

CLARENCE K. NISHIHARA, Chair

RUSSELL S. KOKUBUN, Chair

The Senate Twenty-Fourth Legislature State of Hawaii

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

Bill / Resolution No.:* SB 715	Committee Referral: Date: WAH/TSG_WAM Jan-31,2007							
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, Jill N. (VC)		\$						
FUKUNAGA, Carol					*			
HEE, Clayton		/						
SLOM, Sam			X					
TOTAL		3	1		1			
Recommendation: Adopted Not Adopted								
Chair's or Designee's Signature								
Distribution: Original File with Committe								

The Senate Twenty-Fourth Legislature State of Hawaii

Record of Votes Committee on Tourism and Government Operations TSG

Bill / Resolution No.:*	Committee	Referral:	Da	ite:				
SB715	WAH/TSG, WAM			1-31-07				
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			
NISHIHARA, Clarence K. (C)		V						
KIM, Donna Mercado (VC)		/						
TSUTSUI, Shan S.		V						
TRIMBLE, Gordon			٧ ر					
TOTAL		3						
Recommendation: Adopted Not Adopted								
Chair's or Designee's Signature:								
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency								

Revised: 12/18/06

^{*}Only one measure per Record of Votes