STAND. COM. REP. NO. 451

Honolulu, Hawaii Februamile, 2017

RE: H.B. No. 1324 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 1324, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO A TAX CREDIT FOR INTERISLAND TRANSPORTATION OF AGRICULTURAL PRODUCTS GROWN OR PROCESSED IN STATE ENTERPRISE ZONES,"

begs leave to report as follows:

The purpose of this measure is to authorize a tax credit equal to 20 percent of the qualifying business costs for the transportation of agricultural commodities between islands within the State.

The Hawaii Farm Bureau, Hawaii Cattlemen's Council, Inc., and Ponoholo Ranch Limited supported this measure. The Department of Agriculture and Land Use Research Foundation of Hawaii supported the intent of this measure. The Department of Taxation, Department of Business, Economic Development and Tourism, and Tax Foundation of Hawaii provided comments.

Your Committee finds that interisland transportation has been a major issue with neighbor island farmers and ranchers. The majority of agricultural lands are located on the neighbor islands, yet the population center is on Oahu. Neighbor island farmers and ranchers are at a disadvantage when competing with farmers and ranchers on Oahu because of additional transportation costs of importing supplies and exporting products. This measure seeks to provide relief to neighbor island farmers and ranchers by

reducing the costs of transporting their products to neighbor islands.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1324, H.D. 1, and recommends that it be referred to your Committee on Finance.

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

HENRY J.C. AOUINO, Chair

## State of Hawaii House of Representatives The Twenty-ninth Legislature

## H50R451

## **Record of Votes of the Committee on Transportation**

Bill/Resolution No.: HB 1324, HD1	Committee Referral:  AGR, TRN, FIN		Date: 02/10/17		
θ The committee is reconsidering its previous decision on the measure.					
The recommendation is to: Pass, unamended (as is) θ Pass, with amendments (HD) θ Hold θ Pass short form bill with HD to recommit for future public hearing (recommit)					
TRN Members	Ayes	Ayes (WR)	Nays	Excused	
1. AQUINO, Henry J.C. (C)					
2. QUINLAN, Sean (VC)			Tai Tab Janata e 野田		
3. BROWER, Tom					
4. HASHEM, Mark J.					
5. NAKAMURA, Nadine K.		gillibba media cupel is natisamathi c na lika	dell ale Elizhoud etheke 19		
6. SAN BUENAVENTURA, Joy A.					
7. McDERMOTT, Bob					
TOTAL (7)	6	Ø	ø	1	
The recommendation is:   Adopted  If joint referral, did not support recommendation.  committee acronym(s)					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					