STAND. COM. REP. NO.

Honolulu, Hawaii April 6 , 2017 RE: S.B. No. 773 S.D. 2 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 Finance, to which was referred S.B. No. 773, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose of this measure is to amend the Industrial Hemp Pilot Program by:

- (1) Establishing an industrial hemp special fund to be administered by the Department of Agriculture;
- (2) Requiring each county to recognize the cultivation of industrial hemp or industrial hemp cultivated for the purposes of the Pilot Program as an agricultural product, use, and activity;
- (3) Specifying that any agricultural land used for the cultivation of industrial hemp for the purposes of the Pilot Program shall qualify for the minimum dedication period and be assessed at the lowest percentage of fair market value;



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- (4) Allowing applicants for an industrial hemp license to apply at any time during the year in which the applicant plans to grow industrial hemp;
- (5) Requiring Pilot Program licensees to submit additional reports as required by the Board of Agriculture;
- (6) Repealing the requirement for a movement permit to transport industrial hemp grain or plant material;
- (7) Restricting cultivation of industrial hemp under the pilot project to agricultural product, use, or activity by licensed owners, lessees, or occupiers on state agricultural land use districts; and
- (8) Amending license application and physical facility requirements.

The Department of Agriculture and Kihei Community Association testified in support of this measure. The Department of Budget and Finance provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 773, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

> Respectfully submitted on behalf of the members of the Committee on Finance,

SYLVIA LÜKE, Chair



State of Hawaii House of Representatives The Twenty-ninth Legislature

HECR 1666

Record of Votes of the Committee on Finance

Bill/Resolution No.: Com Com Com	nittee Referral: NGF/EDP), F	FIN Date:	3-31	-2017
□ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamen	ided (as is)	ss, with amendments minit for future public		-
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)	~			
2. CULLEN, Ty J.K. (VC)				
3. CACHOLA, Romy M.				
4. CHOY, Isaac W.	<u> </u>			
5. DeCOITE, Lynn				
6. GATES, Cedric Asuega				
7. HOLT, Daniel				
8. KEOHOKALOLE, Jarrett				
9. KOBAYASHI, Bertrand				
10. LoPRESTI, Matthew S.	~			
11. LOWEN, Nicole E.				
12. NAKAMURA, Nadine K.				
13. TOKIOKA, James Kunane				
14. QUINLAN, Sean				
15. YAMASHITA, Kyle T.				
16. TUPOLA, Andria P.L.				~
17. WARD, Gene				
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TOTAL (17)	15	Ø	Ø	2
The recommendation is: Adopted Not Adopted If joint referral,				
Vice Chair's or designee's signature:K. Culture				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				