STAND. COM. REP. NO. 602-20

Honolulu, Hawaii FEB 14 , 2020

RE: H.B. No. 2538 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2020 State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 2538 entitled:

"A BILL FOR AN ACT RELATING TO FOOD SAFETY,"

begs leave to report as follows:

The purpose of this measure is to appropriate funds for the education and support of local businesses regarding the Food and Drug Administration's (FDA) industry guidance on colored sea salt, contingent upon the collective contribution by private businesses of one-half of the cost of conducting any research, studies, or analysis required to obtain FDA approval of color additives used in Hawaii sea salt.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Chamber of Commerce Hawaii; H.K. Enterprise Group dba: Hawaii Kai Corporation; Molokai Chamber of Commerce; Hawaiian Paakai Inc.; Sea Salts of Hawaii; For J's Hawaii Inc.; and three individuals.

Your Committee finds that Hawaii-made sea salt products are growing in popularity. Sea salt products colored with Hawaiian charcoal, volcanic clay, and other natural ingredients help to promote the State's brand. Your Committee further finds that FDA industry guidance on the use of color additives in sea salt



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products indicates that sea salt manufacturers who intend to use color additives that are not currently approved for food use should first obtain approval through the FDA's color additive petition process. This measure appropriates funds to provide education and support to local businesses regarding the industry guidance on colored sea salt to ensure the continued viability of the State's sea salt manufacturing industry.

Your Committee has amended this measure by changing its effective date to July 1, 2112, to encourage further discussion.

Your Committee notes that despite its altruism in assisting these businesses in these endeavors, the Department of Business, Economic Development, and Tourism is not the appropriate agency to receive an appropriation to provide education and support to businesses in Hawaii regarding the FDA's industry guidance on colored sea salt. Your Committee strongly feels that the University of Hawaii at Manoa College of Tropical Agriculture and Human Resources may be a more appropriate entity to receive the appropriation to carry out this measure.

Your Committee respectfully requests the Senate, should it receive and deliberate on this measure, to consider discussing this issue with the University of Hawaii at Manoa College of Tropical Agriculture and Human Resources, the Department of Agriculture, and the Department of Business, Economic Development, and Tourism.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2538, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2538, H.D. 1, and be referred to your Committee on Finance.



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

THE REAL PROPERTY.

ANGUS L.K. MCKELVEY, Chair



State of Hawaii House of Representatives The THIRTIETH Legislature



Record of Votes of the Committee on Economic Development & Business

Bill/Resolution No.: HB 2538	Committee Referral: EDB, FIN		Date: 2-5-20		
□ The committee is reconsider					- -
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit) 					
EDB Members		Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)					
2. KITAGAWA, Lisa (VC)					
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3. ELI, Stacelynn K.M.					
4. ICHIYAMA, Linda		./		· · · · · · · · · · · · · · · · · · ·	
5. JOHANSON, Aaron Li	ing	\checkmark			
	a da angang sa			· · ·	
6. QUINLAN, Sean		\sim		· · ·	
7. YAMASHITA, Kyle T.					
8. MATSUMOTO, Laure	n se			<u></u>	
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TOTAL (8)		6	Ø	Ø	2
The recommendation is: Adopted If joint referral, did not support recommendation.					
Vice Chair's or designee's signature:					
Distribution: Original (White	······································	uplicate (Yellow) -	/		Pink) – HMSO