

STAND. COM. REP. NO.

3369

Honolulu, Hawaii

FEB 28 2020

RE: S.B. No. 3038
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 3038, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TARO,"

begs leave to report as follows:

The purpose and intent of this measure is to create stronger economic incentives for new taro farmers, improve the livelihoods of existing taro farmers, and reduce the cost of poi for local families.

More specifically, this measure excludes up to \$100,000 of income derived from taro production from the state income tax.

Your Committee received written comments in support of this measure from the Department of Agriculture; Office of Hawaiian Affairs; County of Kauai; Office of Climate Change, Sustainability and Resiliency of the City and County of Honolulu; Department of Research and Development of the County of Hawaii; Aloha Aina; Hawaii Farm Bureau; Hooulu Aina Farms; Hui Aloha Aina o Ka Lei Maile Alii; Lauifi's Farming, LLC; Living Pono Project; Pono Hawaii Initiative; and numerous individuals.

Your Committee received written comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.



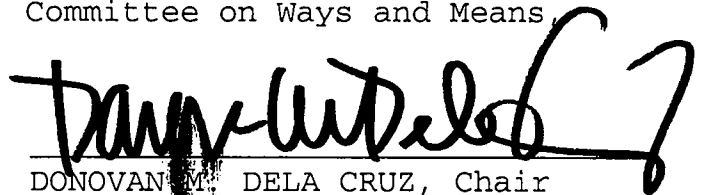
Your Committee finds that taro is a hypoallergenic complex carbohydrate that plays a critical role in the health of families, and particularly Native Hawaiians. Yet, the cost of poi makes it inaccessible to many families most in need of this important staple starch food. Your Committee also finds that taro is one of Hawaii's highest-yielding staple starch food crops, producing ten thousand pounds and twenty thousand pounds per acre per year under wet and dry cultivation, respectively. However, taro is severely underproduced in the State. Your Committee believes that, in order to accomplish the State's goals for local food production, there is an urgent need to better support small farmers, including through economic incentives.

Your Committee has amended this measure by:

- (1) For purposes of clarity and conciseness, deleting the new statutory section established by the measure and instead amending section 235-7(a), Hawaii Revised Statutes, to exclude from the state income tax up to \$100,000 of income derived from taro production;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3038, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3038, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

| | | | | |
|--|--|-------------------------|------------|----------------|
| Bill / Resolution No.:* <i>SB 3038, SD1</i> | Committee Referral: <i>AEN, WAM</i> | Date: <i>2/25/20</i> | | |
| <input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____ | | | | |
| The Recommendation is: <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Pass, unamended 2312 </div> <div> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div> <input type="checkbox"/> Hold 2310 </div> <div> <input type="checkbox"/> Recommit 2313 </div> </div> | | | | |
| Members | Aye | Aye (WR) | Nay | Excused |
| DELA CRUZ, Donovan M. (C) | X | | | |
| KEITH-AGARAN, Gilbert S.C. (VC) | X | | | |
| ENGLISH, J. Kalani | X | | | |
| HARIMOTO, Breene | | | | X |
| INOUE, Lorraine R. | | | | X |
| KAHELE, Kaiali'i | | | | X |
| KANUHA, Dru Mamo | X | | | |
| KIDANI, Michelle N. | X | | | |
| MORIWAKI, Sharon Y. | X | | | |
| RIVIERE, Gil | X | | | |
| SHIMABUKURO, Maile S.L. | X | | | |
| TANIGUCHI, Brian T. | | X | | |
| FEVELLA, Kurt | X | | | |
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| TOTAL | <i>9</i> | <i>1</i> | | <i>3</i> |
| Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div> | | | | |
| Chair's or Designee's Signature: | | | | |
| <div style="display: flex; justify-content: space-between; font-size: small;"> <div> Distribution: Original File with Committee Report </div> <div> Yellow Clerk's Office </div> <div> Pink Drafting Agency </div> <div> Goldenrod Committee File Copy </div> </div> | | | | |

*Only one measure per Record of Votes