

STAND. COM. REP. NO.

444

Honolulu, Hawaii

FEB 18 , 2021

RE: H.B. No. 100
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Agriculture, to which was referred H.B. No. 100 entitled:

"A BILL FOR AN ACT RELATING TO INSPECTION FEES,"

begs leave to report as follows:

The purpose of this measure is to increase the freight import fee to provide additional funding for programs to inspect, quarantine, prevent, and mitigate the impacts of invasive species in Hawaii.

Your Committee received testimony in support of this measure from the Coordinating Group on Alien Pest Species, Hawaii Farm Bureau, and Ulupono Initiative. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Agriculture and Tax Foundation of Hawaii.

Your Committee finds that under existing law, a freight import fee is collected on shipments arriving into the State via water. This fee has proven a reliable source of steady funds to supplement general funds for the crucial inspection and quarantine services performed by the Department of Agriculture. Your Committee acknowledges the concerns raised in testimony that a 2012 ruling by the United States Department of Transportation found that the State cannot make airlines or the air cargo import



companies collect or remit import fees. However, as also mentioned in testimony, the United States Department of Transportation ruling did not rule against the State charging and collecting the fee on the air cargo itself.

Your Committee therefore finds that amendments to this measure are necessary to address these concerns and ensure that invasive species are caught and eradicated regardless of the means the species arrives in Hawaii.

Your Committee has amended this measure by:

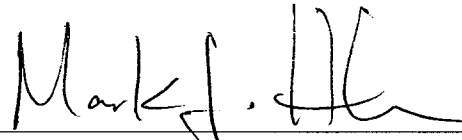
- (1) Beginning on July 1, 2022, establishing an Air Cargo Pest Inspection, Quarantine, and Eradication Fee, to be assessed on each air carrier delivering air cargo into the State;
- (2) Establishing the Air Cargo Pest Inspection, Quarantine, and Eradication Fund, to be used solely by the Department of Agriculture's Air Cargo Inspection Program;
- (3) Clarifying that the Inspection, Quarantine, and Eradication Service Fee and Charge excludes air freight;
- (4) Changing the Inspection, Quarantine, and Eradication Service Fee and Charge to an unspecified amount;
- (5) Requiring the Auditor to conduct an analysis on the Air Cargo Pest Inspection, Quarantine, and Eradication Fee; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it choose to deliberate on this measure to examine whether the objectives of this measure may be accomplished through general fund expenditures. Your Committee further respectfully requests your Committee on Finance to examine and review the expenditure ceiling for the Pest Inspection, Quarantine, and Eradication Fund.



As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 100, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 100, H.D. 1, and be referred to your Committee on Finance.

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



MARK J. HASHEM, Chair



Record of Votes of the Committee on Agriculture

Bill/Resolution No.: HB 100	Committee Referral: AER, FIN	Date: 2/10/2021		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
AGR Members	Ayes	Ayes (WR)	Nays	Excused
1. HASHEM, Mark J. (C)	✓			
2. PERRUSO, Amy A. (VC)	✓			
3. LOWEN, Nicole E.	✓			
4. MARTEN, Lisa	✓			
5. MATAYOSHI, Scot Z.	✓			
6. TODD, Chris	✓			
7. TOKIOKA, James Kunane	✓			
8. MATSUMOTO, Lauren	✓			
TOTAL (8)	8			
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>_____ committee acronym(s)</small>				
Vice Chair's or designee's signature: Amy Perruso				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				