



GOV. MSG. NO. 1391

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

July 12, 2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirty-First State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith HB2466 HD2 SD1 CD1, without my approval and with the statement of objections relating to the measure.

HB2466 HD2 SD1 CD1

RELATING TO TARO.

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

EXECUTIVE CHAMBERS

HONOLULU

July 12, 2022

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 2466

Honorable Members
Thirty-First Legislature
State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, House Bill No. 2466, entitled "A Bill for an Act Relating to Taro."

The purpose of this bill 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 residents.

This bill is objectionable because it is not an effective way to achieve the bill's purpose of helping taro farmers by lowering cultivation and production costs through the proposed exemption as a way to reduce the cost of poi for local consumers. The bill's exemption would not apply to "bulk buyers or shippers of raw or value-added taro products, supermarkets, or big box stores" (see bill at page 5, lines 10-12). This was apparently to limit the exemption to taro farmers in the cultivation and production of unprocessed taro, and not to allow retailers and wholesalers to claim the exemption on retail sales of poi and taro products. However, the wording of the bill will still allow certain retail sellers such as drug stores, convenience stores, and restaurants to also claim the exemption from a general excise tax (GET). The exemption will give these retailers a commercial advantage over supermarkets and big box stores that are not entitled to claim the exemption. A more effective way to help taro farmers and avoid the unintended tax benefit to just certain retailers, would be through the provision of direct grants to taro farmers as opposed to the GET exemption in this bill.

STATEMENT OF OBJECTIONS
HOUSE BILL NO. 2466
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For the foregoing reasons, I am returning House Bill No. 2466 without my approval.

Respectfully,

A handwritten signature in black ink, appearing to read "David Y. Ige". The signature is fluid and cursive, with a large, stylized "Y" and a long, sweeping underline.

DAVID Y. IGE
Governor of Hawai'i

HOUSE OF REPRESENTATIVES
THIRTY-FIRST LEGISLATURE, 2022
STATE OF HAWAII

VETO
H.B. NO. 2466
H.D. 2
S.D. 1
C.D. 1

A BILL FOR AN ACT

RELATING TO TARO.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Hawaii imports
2 eighty-five per cent of its food and is considered highly
3 vulnerable in issues of food security as a state. Climate
4 change significantly increases this vulnerability with sea level
5 rise and intensified weather patterns in the Pacific, such as
6 droughts, hurricanes, and floods. In 2016, the governor pledged
7 to double food production in Hawaii by 2030 at the
8 International Union for Conservation of Nature World
9 Conservation Congress, as part of Hawaii's commitments to the
10 world and the State and in order to begin to address this
11 import inequity.

12 The legislature further finds that small farms on ten
13 acres or less in Hawaii produce a significant portion of
14 locally-grown and locally-consumed food on each island. The
15 small farm sector of agriculture is growing, yet the 2017
16 census of agriculture reports that the average small-scale
17 farmer in Hawaii makes less than \$40,000 per year, with losses



1 of almost \$10,000 annually due to the high costs of farming,
2 including land and water. To accomplish the State's 2030 goal
3 for local food production, there is an urgent need to better
4 support small farmers including through small economic
5 incentives to build a larger market.

6 The legislature additionally finds that the department of
7 agriculture has identified staple starches as the greatest
8 food security risk in the State. Taro is a hypoallergenic
9 complex carbohydrate that plays a critical role in the health
10 of families, particularly Native Hawaiians. Yet, the cost of
11 poi remains inaccessible to families most in need of this
12 important staple starch food. Taro is one of Hawaii's highest
13 yielding staple starch food crops, producing ten thousand and
14 twenty thousand pounds per acre per annum under wet and dry
15 cultivation, respectively; however, taro is severely
16 underproduced in the State. The 2017 census of agriculture
17 reported two hundred seven farms and four hundred ninety-five
18 acres of taro in wetland and dryland production. An estimated
19 two hundred to three hundred additional acres are unreported
20 or in subsistence taro cultivation. Annual reported



1 production averages four million tons; however, taro imports
2 are estimated to soon exceed local production.

3 The legislature also finds that loi kalo, or wetland taro
4 systems, are additionally recognized for their potential to
5 mitigate other impacts of climate change by functioning as
6 riparian buffers and sediment retention basins. Underground
7 foods, such as taro, can often survive hurricanes or flood
8 events and can be harvested to address immediate food
9 shortages where the capacity to store and cook food can be
10 retained.

11 The legislature further finds that the report of the taro
12 security and purity task force to the 2010 legislature
13 recommended a number of supports to make taro farming
14 affordable, including access to land, water, mentoring, and
15 economic incentives. The counties of Maui and Kauai have
16 enacted ordinances that exempt kuleana lands in active taro
17 production from county taxes. These ordinances provide
18 limited relief to some taro farms but are not available in
19 all counties and are insufficient for young farmers to offset
20 typically low incomes experienced by taro growers or mitigate
21 the effects of competition from imports.



1 The legislature additionally finds that, in 1901, the
2 first legislature of the Territory of Hawaii recognized the
3 role that taro played in feeding the nation by passing Senate
4 Bill No. 87 to encourage the cultivation of taro by exempting
5 taro and the cultivation of taro from all state taxes. While
6 Senate Bill No. 87 was never signed into law, its intentions
7 were clear in encouraging the production of more taro.

8 The legislature also finds that, in recognition of the
9 critical importance of protecting and perpetuating the
10 traditional practice of taro farming as part of Hawaii's
11 cultural identity and its role in local food security, there
12 is a compelling interest in enacting a law in present day that
13 is similar to Senate Bill No. 87.

14 The purpose of this Act is to create stronger economic
15 incentives for new taro farmers, improve the livelihoods of
16 existing taro farmers, and reduce the cost of poi for local
17 residents by exempting the gross proceeds or income from the
18 sale of any product resulting from the cultivation and
19 production of unprocessed taro from the general excise tax.



1 SECTION 2. Chapter 237, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§237- Exemption for the cultivation and production of
5 unprocessed taro. There shall be exempted from, and excluded
6 from the measure of, the taxes imposed by this chapter all of
7 the gross proceeds or income received from the sale of any
8 product resulting from the cultivation and production of
9 unprocessed taro, or of any value-added product of which the
10 primary ingredient is taro or taro leaf. This exemption shall
11 not apply to bulk buyers or shippers of raw or value-added taro
12 products, supermarkets, or big box stores.

13 As used in this section, "primary ingredient" means the
14 ingredient of highest percentage in a product and listed first
15 on the product's label."

16 SECTION 3. New statutory material is underscored.

17 SECTION 4. This Act shall take effect upon its approval,
18 and shall be repealed on June 30, 2027.

APPROVED this day of , 2022

GOVERNOR OF THE STATE OF HAWAII

2022-3281 HB2466 CD1 HMSO



HB No. 2466, HD 2, SD 1, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 5, 2022
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-First Legislature of the State of Hawaii, Regular Session of 2022.



Scott K. Saiki
Speaker
House of Representatives

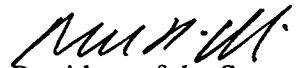


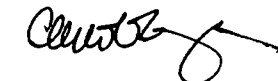
Brian L. Takeshita
Chief Clerk
House of Representatives

THE SENATE OF THE STATE OF HAWAI‘I

Date: May 5, 2022
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate
of the Thirty-First Legislature of the State of Hawai‘i, Regular Session of 2022.


President of the Senate


Clerk of the Senate