

STAND. COM. REP. NO. 164

Honolulu, Hawaii

FEB 10 2023

RE: S.B. No. 967

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 967 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to establish an Organic Foods Production Tax Credit for farmers investing in the organic certification process.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawai'i Farm Bureau; Hawai'i Alliance for Progressive Action; Wakefield and Sons, Inc.; Kane Plantation Avocados; Environmental Caucus of the Democratic Party of Hawai'i; Rancho Aloha; Hawaii Environmental Change Agents Carbon Sequestration Task Force; Kauai Climate Action Coalition; CleanEarth4Kids.org; Hawai'i Farmers Union United; and forty-two individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that providing support to Hawaii's organic agriculture industry can help reduce reliance on organic agricultural imports and provide assistance to small organic farmers in the State. Your Committee additionally finds that organic farming practices enhance the environmental health of Hawaii by improving soil fertility and structure, sequestering carbon from the atmosphere, promoting biodiversity, and reducing human, animal, and environmental exposure to toxic chemicals.



Your Committee believes that reducing the burden on the increasing number of small organic farmers seeking costly and lengthy organic certifications and inspections will help to promote the production and availability of locally-grown organic food in the State. By easing the costly burdens of the certification process, organic producers in Hawaii can more advantageously compete with the organic imports that dominate local markets and enjoy the price premiums afforded to them by the "certified organic" food label. This measure reestablishes the 2016 Organic Food Production Tax Credit that expired in 2021 and supports farmers, ranchers, and producers seeking to obtain organic certification by reimbursing costs invested into the economically burdensome certification process.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 967 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

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



MIKE GABBARD, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:*	Committee Referral:	Date:
SB 967	AEN, WAM	02-06-23


The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312 Pass, with amendments 2311 Hold 2310 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	X			
RICHARDS, III, Herbert M. "Tim" (VC)		X		
DECOITE, Lynn				X
RHOADS, Karl	X			
AWA, Brenton	X			
TOTAL	3	1		1

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature: 

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*Only one measure per Record of Votes