STAND. COM. REP. NO.

592

Honolulu, Hawaii FED 16 , 2023

RE: H.B. No. 1383 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committees on Agriculture & Food Systems and Economic Development, to which was referred H.B. No. 1383 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

beg leave to report as follows:

The purpose of this measure is to support Hawaii's efforts at food import replacement by:

- Establishing an Agricultural Import Replacement Task Force to identify the top ten fruit and vegetable imports to the State that can be commercially grown by farmers in the State; and
- (2) Establishing an Agricultural Import Replacement Tax Credit.

Your Committees received testimony in support of this measure from the Department of Agriculture, Hawai'i Farm Bureau, North Shore Economic Vitality Partnership, Ono Seeds, Ulupono Initiative, Food+ Policy Internship 2023, and four individuals. Your Committees received comments on this measure from the Department of Taxation, Department of the Attorney General, and Tax Foundation of Hawaii.



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Your Committees find that food import replacement can help bolster Hawaii's food security and sustainability and decrease the risk of introducing harmful invasive pests to the State.

Your Committees have amended this measure by:

- Establishing the Agricultural Import Replacement Task Force within the Department of Agriculture;
- (2) Replacing a representative of the University of Hawaii Economic Research Organization with a representative of the University of Hawaii at Manoa College of Tropical Agriculture and Human Resources as a member of the Agricultural Import Replacement Task Force;
- (3) Dissolving the task force on June 30, 2025;
- (4) Deleting the phrase "in the State" from the definitions of "agricultural import replacement" and "qualified taxpayer" to avoid potential Dormant Commerce Clause challenges;
- (5) Further amending the definition of "qualified taxpayer";
- (6) Changing its effective date to June 30, 3000, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Agriculture & Food Systems and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1383, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1383, H.D. 1, and be referred to your Committee on Finance.



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Respectfully submitted on behalf of the members of the Committees on Agriculture & Food Systems and Economic Development,

CEDRIC ASUEGA GATES, Chair



2023-1604 HB1383 HD1 HSCR HMSO

State of Hawaii House of Representatives The Thirty-second Legislature

HSCF 592

Record of Votes of the Committee on Agriculture & Food Systems

Bill/Resolution No.: HB1383	Committee Referral: AGR/ECD_FIN Date: 2/10/2023			23				
The committee is reconsidering its previous decision on the measure.								
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)								
AGR Members		Ayes Aye	s (WR)	Nays	Excused			
1. GATES, Cedric Asuega (C)		V						
2. KAHALOA, Kirstin (VC)				Х.,				
3. COCHRAN, Elle								
4. LOWEN, Nicole E.								
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5. PERRUSO, Amy A.								
6. WOODSON, Justin H.	<u>an Shadi ya Katin Katin</u> .	\checkmark	en neder den det Beleiter Preisere	<u>ali katenda bilektea</u>	<u></u>			
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7. WARD, Gene								
. TOTAL (7)								
The recommendation is: Adopted In Not Adopted If joint referral,								
Vice Chair's or designee's signature								
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO								

State of Hawaii House of Representatives The Thirty-second Legislature



Record of Votes of the Committee on Economic Development

Bill/Resolution No.:Committee Referral:Date:HB1383AGR/ECD,FIN2/10/2023								
The committee is reconsidering its previous decision on the measure.								
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)								
ECD Members	Ayes	Ayes (WR)	Nays	Excused				
1. HOLT, Daniel (C)								
	A							
2. LAMOSAO, Rachele F. (VC)								
3. HUSSEY-BURDICK, Natalia	an a							
5. HUSSET-BURDICK, Natana								
4. KONG, Sam Satoru		an Richt an teacht ann an Anna Anna an Anna Anna Anna Ann	an fan ster fan de f					
	1							
5. NAKAMURA, Nadine K.								
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6. QUINLAN, Sean								
7. PIERICK, Elijah	at him in a second s		an an drawed grant and a solar and a s					
	L							
TOTAL (7)	5			2				
The recommendation is: Adopted If joint referral, did not support recommendation.								
Vice Chair's or designee's signature: <u>Raub</u>								
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO								