

STAND. COM. REP. NO. **2729**

Honolulu, Hawaii

FEB 16 2024

RE: S.B. No. 2813

S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committees on Agriculture and Environment and Health and Human Services, to which was referred S.B. No. 2813 entitled:

"A BILL FOR AN ACT RELATING TO MEAT PROCESSING,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Department of Agriculture to:
  - (A) Establish industry standards for processing meat;  
and
  - (B) Conduct a survey on slaughterhouse operations;
- (2) Establish a tax credit for processing meat; and
- (3) Appropriate an unspecified amount of funds for the Department of Agriculture to establish and implement meat processing industry standards and conduct a survey on slaughterhouse operations.

Your Committees received testimony in support of this measure from the Agribusiness Development Corporation and Hawai'i Farm Bureau.



Your Committees received comments on this measure from the Department of Agriculture; Department of Taxation; and Hawaii Cattlemen's Council, Inc.

Your Committees find that the lack of comprehensive regulations regarding meat processing and data regarding slaughterhouse operations reduces the capacity of the State to process and distribute local meat, especially to local consumers. Your Committees recognize that certifying the eating quality of local meat would improve the marketability of local beef, especially those grass-fed, and help expand the industry. According to testimony received by your Committees, additional information regarding slaughterhouse operations will allow for data-driven decision making to increase capacity, improve efficiencies, evaluate best practices, and identify growth opportunities in the State's livestock industry. Your Committees further recognize the high costs to inspect meat in the State. Additional testimony states that the establishment of a meat processing tax credit to qualified producers, as proposed in this measure, will eventually help lower the cost of local livestock products for local consumers.

Your Committees have amended this measure by:

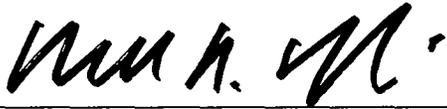
- (1) Inserting language specifying that the tax credit established in part II of the measure shall be allocated on a first-come, first-served basis in instances where the amounts claimed in the certified statements submitted to the Board of Agriculture exceed the aggregate cap;
- (2) Requiring that the tax credit established in part II of the measure apply to taxable years beginning after December 31, 2023; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Environment and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2813, as amended herein, and recommend that it pass Second Reading in the form



attached hereto as S.B. No. 2813, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Agriculture and Environment and Health and Human Services,



JOY A. SAN BUENAVENTURA, Chair



MIKE GABBARD, Chair





