

STAND. COM. REP. NO.

592

Honolulu, Hawaii

FEB 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:

- (1) 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.

2023-1604 HB1383 HD1 HSCR HMSO



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.

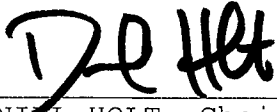
Your Committees have amended this measure by:

- (1) 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.

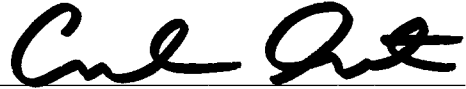
As affirmed by the records of votes of the members of your Committees on Agriculture & Food Systems and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1383, as amended herein, and recommend that it pass Second Reading in the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



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



DANIEL HOLT, Chair



CEDRIC ASUEGA GATES, Chair



