

RE: S.B. No. 496
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii
Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 496, S.D. 1, entitled:
"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to reduce the State's reliance on imported produce.
More specifically, this measure:

(1) Establishes within the Department of Agriculture a task force to identify the top ten imported fruits and vegetables that may be commercially grown in the State; and

(2) Creates an agricultural import replacement tax credit to incentivize local production of these fruits and vegetables.

Your Committee received written comments in support of this measure from the Hawaii Food Industry Association, Ulupono Initiative, Hawaii Farm Bureau, Climate Protectors Hawaii, Environmental Caucus of the Democratic Party of Hawaii, and four individuals.

The Department of Agriculture, Department of Taxation, and Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that the agricultural import replacement tax credit established by this measure will help to incentivize local food production and increase the State's food self-sufficiency.

Your Committee has amended this measure by:

- (1) Inviting, rather than mandating, representatives from private organizations to serve on the task force;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 496, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 496, S.D. 2.

Respectfully submitted on behalf of the members of the Committee on Ways and Means,

DONOVAN M. DELA CRUZ, Chair