

Honolulu, Hawaii

FEB 16 2007

RE: S.B. No. 1306

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Madam:

Your Committee on Water, Land, Agriculture, and Hawaiian Affairs, to which was referred S.B. No. 1306 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURAL MARKETING,"

begs leave to report as follows:

The purpose of this measure is to establish a special fund to collect revenues from the Seal of Quality program.

Specifically, this measure requires that all revenues from the program, donations, and any appropriations made by the Legislature be deposited into this special fund. The deposited funds shall be used for costs relating to the program, including any promotional or advertising activities and materials.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hamakua Macadamia Nut Company, Green Point Nurseries, Inc.; Kamiya Gold Inc.; the Hawaii Farm Bureau Federation; Alan Wong's Restaurant; the Hawaii Agriculture Research Center; the Kamauoha Foundation; the Kona Pacific Farmers Cooperative; the Manoa Honey Company; Nalo Farms, Inc.; and Hamakua Springs Country Farms.

The Seal of Quality program is established pursuant to section 148-61, Hawaii Revised Statutes, to promote and ensure high standards of quality for fresh and processed agricultural products produced in the State. The program generates revenues through licensing and promotional use fees.



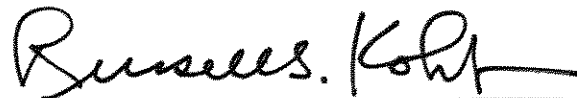
Your Committee finds that this measure establishes a special fund and requires that all revenues from the Seal of Quality program, donations, and any appropriations be deposited into the fund to be used for costs relating to the program. This measure is a positive step in creating a self-reliant Seal of Quality program that provides recognizable value to those who participate in it.

Your Committee requests that the Committee on Ways and Means explore and, if feasible, implement an alternative method to disburse revenues from the Seal of Quality program other than through the establishment of a special fund. Your Committee has concerns that too many special funds already exist in the State treasury.

Your Committee is recommending passage of this measure because it strongly believes in the Seal of Quality program, as it will help with diversifying Hawaii's agricultural industry.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1306 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Water, Land,  
Agriculture, and Hawaiian  
Affairs,



RUSSELL S. KOKUBUN, Chair



The Senate  
 Twenty-Fourth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Water, Land, Agriculture and Hawaiian Affairs**  
**WAH**

Bill / Resolution No.:* <i>S.B. 1306</i>	Committee Referral: <i>WAH, WAM</i>	Date: <i>2/14/07</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KOKUBUN, Russell S. (C)	X			
TOKUDA, Jill N. (VC)	X			
FUKUNAGA, Carol				X
HEE, Clayton	X			
SLOM, Sam			X	
<b>TOTAL</b>	<i>3</i>	<i>0</i>	<i>1</i>	<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>[Signature]</i>				
Distribution:             Original             Yellow             Pink File with Committee Report             Clerk's Office             Drafting Agency				

\*Only one measure per Record of Votes