

Honolulu, Hawaii

March 19, 2010

RE: S.B. No. 2523
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Agriculture, to which was referred S.B. No. 2523, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this bill is to exempt certain aggregate, cement, coal, and liquid bulk freight of foreign origin from the Inspection, Quarantine, and Eradication Service Fee (Fee).

AES Hawaii, Inc.; Grace Pacific Corporation; Hawaiian Cement; Hawaii Ship Agents Association; and Alexander & Baldwin, Inc., testified in support of this bill. Western States Petroleum Association supported the intent of this measure. The Department of Agriculture (DOA) supported this bill with amendments. Conservation Council for Hawaii and Hawaii Farm Bureau Federation opposed this measure. The Department of the Attorney General, The Nature Conservancy of Hawaii, and Hawaii Food Industry Association provided comments.

Your Committee has amended this bill by:

- (1) Amending the definition of "aggregate bulk freight";
- (2) Providing a timeline for payment of the fee;

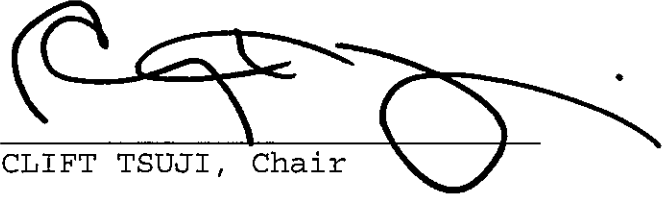


- (3) Including language from H.B. No. 2294, H.D. 1 that, among other things:
 - (A) Clarifies and expands the purposes for which funds may be expended from the Pest Inspection, Quarantine, and Eradication Fund (Fund);
 - (B) Imposes fines for failure to timely pay, bill, or remit the Fee, requires the deposit of fines into the Fund, and waives Fees accrued prior to the effective date of the Act;
 - (C) Provides that certification fees, nursery stock certificate fees, and certificates for shipment fees be deposited into the Fund;
 - (D) Repeals the Permit Revolving Fund and Microorganism Import Certification Revolving Fund and transfers moneys in those funds into the Fund;
 - (E) Sets a fee schedule for inspection and certification performed by DOA to go into effect October 1, 2010, if DOA has not adopted or amended existing rules regarding the fee by September 30, 2010; and
 - (F) Makes an unspecified appropriation from the Fund for purposes of the Fund;
- (4) Waiving inspection, quarantine, and eradication fees that accrued prior to the enactment of this bill; provided that the fees were exempted by this bill;
- (5) Changing the effective date to July 1, 2010; provided that sections 2 and 3, upon approval, shall take effect retroactive to July 1, 2007; and
- (6) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2523, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2523, S.D. 2, H.D. 1, and be referred to the Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Agriculture,



CLIFT TSUJI, Chair



