

STAND. COM. REP. NO.

330

Honolulu, Hawaii

Feb 16, 2011

RE: H.B. No. 1598  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committee on Agriculture, to which was referred H.B. No. 1598 entitled:

"A BILL FOR AN ACT RELATING TO THE CACAO INDUSTRY,"

begs leave to report as follows:

The purpose of this bill is to support the local cacao industry by:

- (1) Temporarily exempting from the general excise tax (GET) amounts received for the sale of cacao from a domestic producer or processed cacao from a domestic processor; and
- (2) Requiring the Department of Agriculture (DOA) to collaborate with the Department of Business, Economic Development, and Tourism and the Department of Land and Natural Resources to determine the best locations for a cacao processing facility.

The Representative of the 27<sup>th</sup> House District, Hawaii Farm Bureau Federation, Padovani's Chocolates, and several concerned individuals supported this bill. DOA supported the intent of this measure. The Attorney General opposed this bill.

In light of concerns raised in the testimony on this matter, your Committee has amended this measure by:

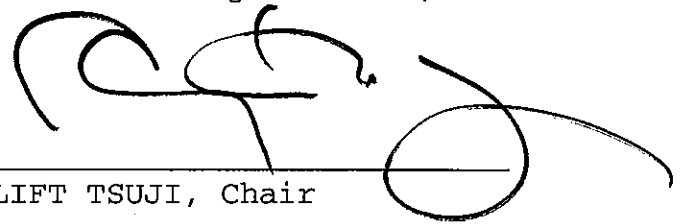
HB1598 HD1 HSCR AGR HMS 2011-2212



- (1) Deleting references to "domestic" producers or processors, making the GET exemption applicable to amounts received for the sale of cacao from a producer or processed cacao from a processor; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

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 H.B. No. 1598, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1598, H.D. 1, and be referred to the Committee on Finance.

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



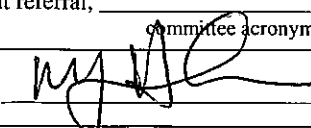
CLIFT TSUJI, Chair



State of Hawaii  
House of Representatives  
The Twenty-sixth Legislature

HSCR 330

Record of Votes of the Committee on Agriculture

Bill/Resolution No.: HB 1598	Committee Referral: AGR, FIN	Date: 2/11/07		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
AGR Members	Ayes	Ayes (WR)	Nays	Excused
1. TSUJI, Clift (C)	✓			
2. HASHEM, Mark J. (VC)	✓			
3. AWANA, Karen L.	✓			
4. BROWER, Tom	✓			
5. CHOY, Isaac W.	✓			
6. EVANS, Cindy	✓			
7. McKELVEY, Angus L.K.	✓			
8. NISHIMOTO, Scott Y.	✓			
9. TOKIOKA, James Kunane	✓			
10. MARUMOTO, Barbara C.	✓			
11. RIVIERE, Gil				✓
TOTAL (11)	10	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				