

STAND. COM. REP. NO. 2353

Honolulu, Hawaii

FEB 18 2016

RE: S.B. No. 2743
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committees on Water, Land, and Agriculture and Commerce, Consumer Protection, and Health, to which was referred S.B. No. 2743 entitled:

"A BILL FOR AN ACT RELATING TO KALO,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Exempt kalo farm cooperatives from any state or county laws regulating kalo marketing sites;
- (2) Designate the protection of kalo farming as a cultural activity as a state objective;
- (3) Exempt from income tax up to \$75,000 of income derived from kalo products, kalo farming, and activities directly related to kalo; and
- (4) Exempt from the general excise tax amounts received from kalo products, kalo farming, and activities directly related to kalo.

Your Committees received testimony in support of this measure from the Department of Agriculture, Aha Moku Advisory Committee, Life of the Land, Hawaii Farmers Union United, Farm Lovers Farmers Markets, Ho'okipa Network - Kauai and Aha Moku Kauai, Maui Venture Consulting LLC, Hawaii Island School Garden Network, and thirty-two individuals. Your Committees received comments on this

2016-1027 SSCR SMA.doc



measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committees find that kalo, also known as the taro plant, is a culturally significant plant to the State. One of the agricultural objectives of the Hawaii State Plan is to perpetuate, promote, and increase use of traditional Hawaiian farming systems and growth of traditional Hawaiian crops, such as kalo. Therefore, your Committees find that steps should be taken by the State to ensure not only that kalo farming is protected but also that kalo production is increased and assistance is provided to those who depend on kalo farming as a livelihood.

Your Committees have amended this measure by:

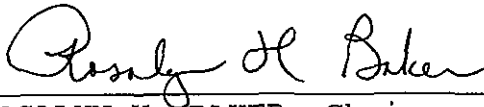
- (1) Moving language that establishes the protection of kalo farming as a cultural activity from section 226-7(a), Hawaii Revised Statutes, objectives and policies for the economy, to section 226-25(b), Hawaii Revised Statutes, objectives and policies for socio-cultural advancement culture;
- (2) Deleting language that would have allowed a kalo marketing site established by a kalo farm cooperative for zoning purposes without requiring a conditional use permit, variance, or special exception;
- (3) Amending language to apply the income tax and general excise tax exemptions to income derived and amounts received, respectively, from the direct sale of kalo products, land used for kalo farming, or any activity directly related to kalo farming;
- (4) Amending section 1 to reflect the amended purpose of this measure; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2743, as amended herein, and recommend that it pass Second

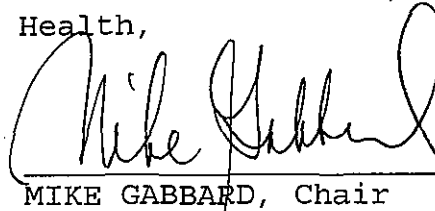


Reading in the form attached hereto as S.B. No. 2743, S.D. 1, and
be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Water, Land, and
Agriculture and Commerce,
Consumer Protection, and
Health,



ROSALYN H. BAKER, Chair

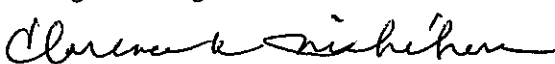


MIKE GABBARD, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Water, Land, and Agriculture
WLA

Bill / Resolution No.:* SB2743	Committee Referral: WLA/CPH, WAM	Date: 02-05-16		
<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 type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	✓			
NISHIHARA, Clarence K. (VC)			✓	
DELA CRUZ, Donovan M.	✓			
RIVIERE, Gil	✓			
RUDERMAN, Russell E.	<i>one</i>			✓
SHIMABUKURO, Maile S.L.	✓ <i>ca</i>			
THIELEN, Laura H.	✓			
WAKAI, Glenn				✓
SLOM, Sam	<i>ca</i>		<i>ca</i>	
			<i>ca</i>	
TOTAL	5		2	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:* SB 2743	Committee Referral: WLA/CPH, WAM	Date: 2-5-16		
<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 type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
KIDANI, Michelle N. (VC)	/			
ESPERO, Will		/		
IHARA, Jr., Les	/			
NISHIHARA, Clarence K.	/	/	/	
RUDERMAN, Russell E.				/
SLOM, Sam			/	
TOTAL	3	1	2	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes