

STAND. COM. REP. NO.

44

Honolulu, Hawaii

FEB 03 2017

RE: S.B. No. 605
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 605 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to expand the general excise tax exemption for amounts received from the loading, transportation, and unloading of agricultural commodities to include cattle, goats, lambs, sheep, hogs, and chickens; beef, pork, poultry, and lamb, goat, and sheep meat; milk and milk products; eggs; and products of aquaculture and aquaponics.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawai'i Farm Bureau; Maui County Farm Bureau; Hawaii Cattlemen's Council, Inc.; Hawaii Cattle Producers Cooperative Association; Ponooho Ranch, Limited; Meadow Gold Dairies; and three individuals. Your Committee received testimony in opposition to this measure from Animal Rights Hawaii and two individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that Hawaii's livestock industry faces numerous challenges, which have been contributing factors to the decline of the State's livestock industry. This measure seeks to assist Hawaii's livestock and aquaculture industries to reduce operating costs, and eventually reduce the cost of purchasing local livestock and aquaculture products by local consumers, to



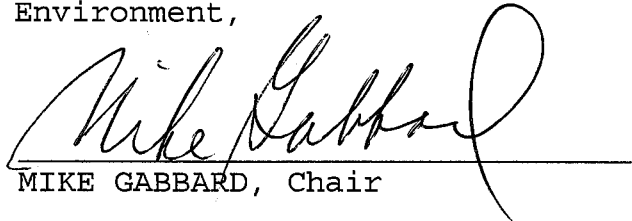
ensure the sustainability of Hawaii's livestock and aquaculture industries.

Your Committee has amended this measure, as recommended by the Department of Taxation, by:

- (1) Inserting a definition for "products of aquaculture or aquaponics"; and
- (2) Changing the effective date to apply to taxable years beginning after December 31, 2017.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 605, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 605, S.D. 1, and be referred to your Committee on Ways and Means.

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



MIKE GABBARD, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:* <i>SB605</i>	Committee Referral: <i>AEN, WAM</i>	Date: <i>2/1/17</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 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)	X			
RIVIERE, Gil (VC)	X			
NISHIHARA, Clarence K.	X			
RHOADS, Karl	X	X	X	
RUDERMAN, Russell E.	X			
TOTAL	<i>4</i>	<i>1</i>	<i>0</i>	<i>0</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center;"><i>[Signature]</i></div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes