

Honolulu, Hawaii

APR 27 2017

RE: S.B. No. 773
S.D. 2
H.D. 1
C.D. 1

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

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 773, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Establish the industrial hemp special fund to be expended by the Department of Agriculture to carry out the purposes of the industrial hemp pilot program;
- (2) Allow applicants to the industrial hemp pilot program to apply for a license at any time during the year in which the applicant plans to grow industrial hemp;



- (3) Require each county to recognize the cultivation of industrial hemp for the purposes of the pilot program as an agricultural product, use, and activity;
- (4) Specify that any agricultural land used for cultivation of industrial hemp for the purposes of the pilot program shall qualify for the minimum dedication period and be assessed at the lowest percentage of fair market value;
- (5) Limit the cultivation of industrial hemp to licensed owners, lessees, or occupiers of lands within the state agricultural land use district; and
- (6) Amend the physical facility requirements for pilot program licensees and repeal the requirement for a movement permit to transport plants or plant material.

Your Committee on Conference finds that Act 228, Session Laws of Hawaii 2016, established the industrial hemp pilot program to allow the cultivation of industrial hemp and distribution of its seed in Hawaii through limited activities by licensee-agents of the Board of Agriculture for purposes of agricultural or academic research. To ensure successful implementation, further amendments to state law need to be made.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have established the industrial hemp special fund to be expended by the Department of Agriculture to carry out the purposes of the industrial hemp pilot program;
- (2) Deleting the general fund appropriation for positions within the Department of Agriculture and program operations for the industrial hemp pilot program, because this appropriation is included in H.B. 100, H.D. 1, S.D. 1, C.D. 1, Regular Session of 2017, the General Appropriations Act of 2017;
- (3) Making it effective upon its approval; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your



Committee on Conference is in accord with the intent and purpose of S.B. No. 773, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 773, S.D. 2, H.D. 1, C.D. 1.

Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE

Richard P. Creagan

RICHARD P. CREAGAN
Co-Chair

Mike Gabbard

MIKE GABBARD
Chair

Mark M. Nakashima

MARK M. NAKASHIMA
Co-Chair

Clarence K. Nishihara

CLARENCE K. NISHIHARA
Co-Chair

Ray J. R. Cullen

RAY J. R. CULLEN
Co-Chair

Maile S.L. Shimabukuro

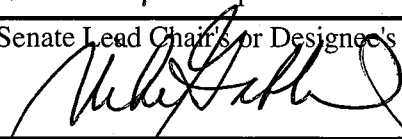
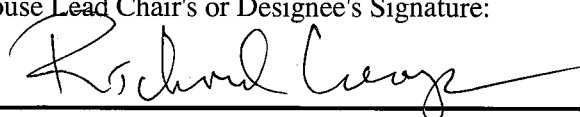
MAILE S.L. SHIMABUKURO
Co-Chair



Hawaii State Legislature

CCR 12

Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: SB 773, SD 2, HD 1					Date/Time: <i>May 25, 2017 10:05 AM</i>				
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).									
<input type="checkbox"/> The Committee is reconsidering its previous decision.									
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
GABBARD, Mike, Chr.	✓				CREAGAN, Richard P., Co-Chr.	✓			WR
NISHIHARA, Clarence K., Co-Chr.	✓				NAKASHIMA, Mark M., Co-Chr.	✓			WR
SHIMABUKURO, Maile S.L., Co-Chr.	✓				CULLEN, Ty J.K., Co-Chr.	✓			
					ING, Kaniela				✓
					THIELEN, Cynthia	✓			
TOTAL	3	-	-	-	TOTAL	4	-	-	1
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused		
Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Senate Lead Chair's or Designee's Signature: 					House Lead Chair's or Designee's Signature: 				
Distribution:		Original <i>File with Conference Committee Report</i>	Yellow <i>House Clerk's Office</i>	Pink <i>Senate Clerk's Office</i>			Goldenrod <i>Drafting Agency</i>		