

Honolulu, Hawaii

FEB 14 2017

RE: S.B. No. 773
S.D. 1

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

Sir:

Your Committees on Agriculture and Environment and Public Safety, Intergovernmental, and Military Affairs, to which was referred S.B. No. 773 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish an industrial hemp special fund to carry out the purposes of the industrial hemp pilot program by the Department of Agriculture;
- (2) Require each county to recognize the cultivation of industrial hemp or industrial hemp cultivated for the purposes of the pilot program as an agricultural product, use, and activity;
- (3) 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; and
- (4) Limit the cultivation of industrial hemp to licensed owners, lessees, or occupiers of lands within the state agricultural land use district.



Your Committees received testimony in support of this measure from the Department of Agriculture and one individual. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find 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 Committees have amended this measure by:

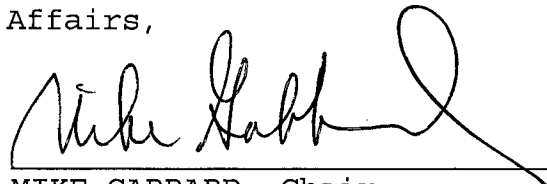
- (1) Adding the contents of section 2 of S.B. No. 226, S.D. 1, Regular Session of 2016, which makes an appropriation for a program coordinator position and inspector position within the Department of Agriculture and program operations for the industrial hemp program;
- (2) Making the appropriation effective on July 1, 2017; and
- (3) 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 Agriculture and Environment and Public Safety, Intergovernmental, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 773, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 773, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Agriculture and
Environment and Public Safety,
Intergovernmental, and Military
Affairs,



CLARENCE K. NISHIHARA, Chair



MIKE GABBARD, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:* SB 773	Committee Referral: AENIPSM, WAM	Date: 2/8/17		
<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			
RUDERMAN, Russell E.				X
TOTAL	4	0	0	1
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

