

STAND. COM. REP. NO.

681

Honolulu, Hawaii

MAR 03 2017

RE: S.B. No. 773  
S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 773, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to facilitate the implementation of an industrial hemp pilot program in the State.

More specifically, the measure prepares for the implementation of the industrial hemp pilot program established within the Department of Agriculture by:

- (1) Establishing an industrial hemp special fund to carry out the purposes of the pilot program;
- (2) Providing that for the effective period of a license issued under the pilot program:
  - (A) The cultivation of industrial hemp or industrial hemp cultivated for the purposes of the pilot program shall qualify as an agricultural product, use, and activity by the relevant county; and
  - (B) Any agricultural land used for the 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 or other calculation provided for by ordinance;

- (3) Limiting the cultivation of industrial hemp to licensed owners, lessees, or occupiers of lands within the state agricultural land use district; and
- (4) Appropriating out of the general revenues of the State of Hawaii \$258,298 for fiscal year 2017-2018 and \$324,796 for fiscal year 2018-2019 to fund one full-time equivalent (1.0 FTE) program coordinator position and one full-time equivalent (1.0 FTE) inspector position within the Department of Agriculture for the pilot program.

The Department of Agriculture and Kihei Community Association submitted written comments in support of this measure.

The Department of Budget and Finance submitted written comments on this measure.

Your Committee finds that that Act 228, Session Laws of Hawaii 2016, established an industrial hemp pilot program to authorize 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. Your Committee further finds that although the industrial hemp pilot program has been developing administrative rules, the provisions of this measure would facilitate the program's commencement.

Your Committee has amended this measure by:

- (1) Replacing the amounts appropriated with unspecified sums;
- (2) Replacing the number of funded positions with unspecified numbers; and
- (3) Changing its effective date to March 9, 2092, for the majority of the measure and to July 1, 2092, for section 4, to facilitate further discussion.



As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 773, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 773, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



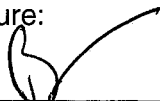
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JILL N. TOKUDA, Chair



The Senate  
Twenty-Ninth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 773 , SD1	AEN / PSM , WAM	2/24/17		
<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
TOKUDA, Jill N. (C)	✓			
DELA CRUZ, Donovan M. (VC)				✓
ENGLISH, J. Kalani				✓
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene	✓			
INOUE, Lorraine R.	✓			
KAHELE, Kaiali'i				✓
RIVIERE, Gil	✓			
SHIMABUKURO, Maile S.L.	✓			
TANIGUCHI, Brian T.	✓			
WAKAI, Glenn	✓			
<b>TOTAL</b>	<b>8</b>			<b>3</b>
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b>				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes