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Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson

**TESTIMONY OF SCOTT E. ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON AGRICULTURE & ECONOMIC
DEVELOPMENT & BUSINESS**

**MARCH 22, 2017
11:15 A.M.
CONFERENCE ROOM 309**

**SENATE BILL NO. 773 SD2 Proposed HD1
RELATING TO AGRICULTURE**

Chairpersons Creagan and Nakashima and Members of the Committees:

Thank for the opportunity to testify on Senate Bill 773 SD1 HD1 Proposed, which proposes to establish an industrial hemp special fund to carry out the industrial hemp pilot program, and amends Act 228, SLH 2016 to allow submission of a license application at any time during the year, and amends the physical facility requirements. The department supports this bill.

To administer this program, the department will need to accept application fees, licensing fees, sampling fees and testing fees. To enforce this program, the department will need the ability to assess and accept fines. Currently, there is no fund established for the department to accept fees on behalf of the program. Without the fund, the program cannot function, nor have the chance of eventually sustain itself.

Clarifying that cultivation of industrial hemp as an agricultural activity in Hawaii will prevent possible future disagreements and misunderstandings between individual grower's and counties in which they are cultivating hemp. This would also allow the growers to receive agricultural land and agricultural water use rates.



Restricting the growth of industrial hemp to within state agricultural land districts will help with the administration and enforcement of the program. This would likely prevent some small backyard hobbyist growing in urbanized areas where cultivation of hemp would be more risky and likely to affect the neighboring community.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR



WESLEY K. MACHIDA
DIRECTOR

LAUREL A. JOHNSTON
DEPUTY DIRECTOR

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ADMINISTRATIVE AND RESEARCH OFFICE
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MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEES ON AGRICULTURE AND
ECONOMIC DEVELOPMENT AND BUSINESS
ON
SENATE BILL NO. 773, S.D. 2, PROPOSED H.D. 1

March 22, 2017
11:15 a.m.
Room 309

RELATING TO AGRICULTURE

Senate Bill No. 773, S.D. 2, Proposed H.D. 1, establishes the Industrial Hemp Special Fund (IHSF) for the Department of Agriculture (DOA) to carry out the purposes of the Industrial Hemp Pilot Program (IHPP) established through Act 228, SLH 2016. The IHSF would be funded through money appropriated by the Legislature, fees collected by the DOA for the purposes of the IHPP, and any interest or return earned from moneys in the special fund. This bill also requires each county to recognize the cultivation of hemp for the purposes of the pilot program as an agricultural product, use, and activity; specifies 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; limits the cultivation of industrial hemp to licensed owners, lessees, or occupiers of lands within the State agricultural land district; and appropriates unspecified amounts of general revenues in FY 18 and FY 19 for a Program Coordinator, an Inspector, and program operators in the DOA.

The Department of Budget and Finance, as a matter of general policy, does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. In regards to Senate Bill No. 773, S.D. 2, Proposed H.D. 1, it is difficult to determine if the proposed special fund would be self-sustaining.

Thank you for your consideration of our comments.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 5:48 PM
To: AGRtestimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for SB773 on Mar 22, 2017 11:15AM*

SB773

Submitted on: 3/20/2017

Testimony for AGR/EDB on Mar 22, 2017 11:15AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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March 20, 2017

My name is Doug Fine, and I am a hemp farmer, researcher, author and filmmaker who cultivates, speaks and/or consults on hemp in multiple states, including Hawaii. I am writing in support of SB773. The State's hemp program is laying the groundwork for a major industry and food security for all the Islands. Therefore maximum support for the program is necessary. This bill helps the program launch more robustly. Thank you.

Best,
Doug Fine
Grant County, New Mexico

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 11:10 AM
To: AGRtestimony
Cc: sylviacabralmaui@gmail.com
Subject: Submitted testimony for SB773 on Mar 22, 2017 11:15AM

SB773

Submitted on: 3/20/2017

Testimony for AGR/EDB on Mar 22, 2017 11:15AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
sylvia cabral	Individual	Support	No

Comments: the US IMPORTS \$5 BILLION HEMP from Canada yearly. Hawaii needs those monies and HEMP will replace gmo and clean out the poisons in the lands.

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