

Honolulu, Hawaii
February 14, 2017

RE: H.B. No. 1474
H.D. 1

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

Sir:

Your Committee on Agriculture, to which was referred H.B. No. 1474 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose of this measure is to prepare the Industrial Hemp Pilot Program (Pilot Program) for full implementation.

Specifically, this measure:

- (1) Establishes the Industrial Hemp Special Fund to support the Pilot Program;
- (2) Clarifies, for county real property tax purposes, that industrial hemp from the Pilot Program is an agricultural product, use, and activity, and that agricultural lands used therefore qualify for the minimum dedication period and assessment at the least expensive classification; and
- (3) Limits industrial hemp cultivation to licensed owners, lessees, or occupiers of lands situated within the state agricultural land district.

The Department of Agriculture and several concerned individuals supported this measure. The Department of Budget and Finance and Tax Foundation of Hawaii provided comments.



Your Committee has amended this measure by:

- (1) Changing its effective date to July 31, 2150; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1474, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1474, H.D. 1, and be referred to your Committee on Finance.

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



RICHARD P. CREAGAN, Chair



