

Honolulu, Hawaii

FEB 15 2017

RE: S.B. No. 1204
S.D. 1

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

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 1204 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the agriculture accelerator program to authorize the Agribusiness Development Corporation (ADC) to provide grants and invest in existing or new agriculture businesses approved by the Board of Directors of the ADC in return for equity in those agriculture businesses;
- (2) Establish an agriculture accelerator special fund to provide funds for the ADC to provide grants to and invest in agriculture businesses under the agriculture accelerator program; and
- (3) Require a portion of the per-barrel environmental response, energy, and food security tax to be deposited into the agriculture accelerator special fund.

Your Committee received testimony in support of this measure from the Department of Agriculture; Agribusiness Development Corporation; High Technology Development Corporation; EcoTipping Points Project; Hawaii Crop Improvement Association; Hawai'i Farm Bureau; Larry Jefts Farms, LLC; and two individuals. Your



Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Budget and Finance and Tax Foundation of Hawaii.

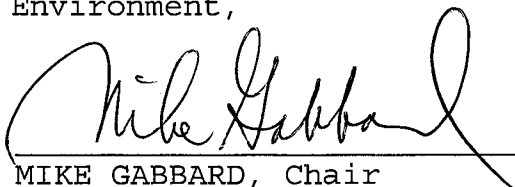
Your Committee finds that the ability for the ADC to establish an agriculture accelerator program and issue grants will provide the means to assist local farming operations, make investments to strengthen and diversify Hawaii's agriculture, attract and retain businesses, and streamline the ADC's operations. Your Committee further finds that an agriculture accelerator program may help foster partnerships to facilitate agribusiness projects and help grow Hawaii's agriculture industry.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1204, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1204, S.D. 1, and be referred to your Committee on Ways and Means.

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




MIKE GABBARD, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB204	AEN, WAM	2/13/17		
<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	3	1	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