

STAND. COM. REP. NO.

2727

Honolulu, Hawaii

MAR 02 2018

RE: S.B. No. 2556
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2556 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a special fund into which revenues from the industrial hemp pilot program may be deposited.

Specifically, this measure:

- (1) Establishes the industrial hemp special fund for the fees collected by the Department of Agriculture in connection with the industrial hemp pilot program;
- (2) Authorizes the Department of Agriculture to expend the moneys in the special fund;
- (3) Specifies that the moneys in the special fund shall remain available until obligated or until the special fund is terminated; and
- (4) Provides instructions on the disbursement of the moneys remaining in the special fund upon termination of the fund.



Your Committee received written comments in support of this measure from the Department of Agriculture; the Hawaii Farm Bureau Federation; Ho'omanapono Political Action Committee; Ho'omana Pono, LLC; OCC Legislative Priorities Committee of the Democratic Party of Hawaii; the Drug Policy Forum; and four individuals.

Your Committee received written comments on this measure from the Department of the Attorney General.

Your Committee finds that Part II of Chapter 141, Hawaii Revised Statutes, authorizes the Department of Agriculture to collect various fees and assess fines related to the industrial hemp pilot program. Requiring the department to deposit the fees into a special fund will promote transparency, help track revenues of the program, and guide the department in adjusting the fee amounts to ensure that the program is financially self-sustaining.

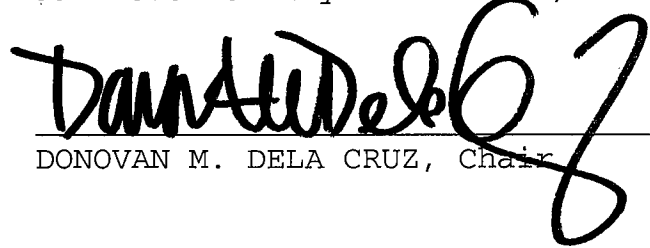
Your Committee has amended this measure by:

- (1) Deleting the requirement that the moneys deposited into the industrial hemp special fund remain available until they are obligated or until the special fund is terminated, because that requirement could be interpreted to allow for the expenditure of the moneys without an appropriation in violation of Article VII, Section 5 of the Hawaii State Constitution; and
- (2) Deleting the requirements regarding the transfer of funds and disbursement of balances if the special fund is terminated, since those requirements would be more appropriately established by an Act repealing the fund.

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. 2556, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2556, S.D. 1.



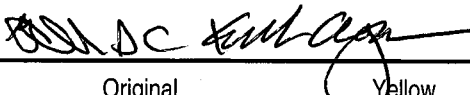
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 2556	Committee Referral: AEN, WAM	Date: 2/23/18		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
GALUTERIA, Brickwood	X			
HARIMOTO, Breene	X			
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KIDANI, Michelle N.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.				X
WAKAI, Glenn	X			
TOTAL	10			1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes