

---

# A BILL FOR AN ACT

RELATING TO ECONOMIC DEVELOPMENT.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

PART I

SECTION 1. Chapter 201, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§201- Hawaii manufactured products program oversight; "made in Hawaii with aloha" trademark. (a) The department of shall administer and oversee a "made in Hawaii" program for manufactured products and shall hold ownership of the "made in Hawaii with aloha" trademark.

(b) No person shall:

(1) Keep, offer, display or expose for sale, or solicit for the sale of any item, product, souvenir, or other merchandise that:

(A) Is labeled "made in Hawaii"; or

(B) By any other means, represents the origin of the item as being from any place within the State; or



1       (2) Use the phrase "made in Hawaii" as an advertising or  
2           media tool,  
3 for any item that has not been manufactured, assembled,  
4 fabricated, or produced within the State and that has not had at  
5 least fifty-one per cent of its wholesale value added by  
6 manufacture, assembly, fabrication, or production within the  
7 State, including Hawaii-sourced goods, services, and  
8 intellectual property."

9       SECTION 2. Section 486-119, Hawaii Revised Statutes, is  
10 amended to read as follows:

11       "~~\$486-119 [Hawaii-made products; Hawaii-processed~~  
12 ~~products-]~~ "Grown in Hawaii" program oversight. (a) The  
13 department of agriculture shall administer and oversee a "grown  
14 in Hawaii" program for agricultural products and manufactured  
15 products that use Hawaii-grown inputs.

16       ~~[(a)]~~ (b) No person shall ~~[keep,]~~:

17       (1) Keep, offer, display or expose for sale, or solicit  
18           for the sale of any item, product, souvenir,  
19           perishable consumer commodity, or ~~[any]~~ other  
20           merchandise that ~~[is]~~:



263  
S.D. 2  
H.D. 2

(A) Is labeled [~~"made in Hawaii"~~] "grown in Hawaii";

or [~~that~~ by]

(B) By any other means [~~misrepresents~~], represents

the origin of the item as being from any place

within the State[7]; or [~~uses~~]

(2) Use the phrase [~~"made in Hawaii"~~] "grown in Hawaii" as

an advertising or media tool,

for any ~~[craft item]~~ product that has not been ~~[manufactured,~~

~~assembled, fabricated, or produced]~~ solely grown within the

State ~~and~~ or that has not had at least ~~fifty-one~~

sixty per cent of its [~~wholesale value added by manufacture,~~

~~assembly, fabrication, or production]~~ inputs grown by a

certified grown in Hawaii with aloha raw product within the

State.

~~[(b) Subsection (a)]~~ (c) Subsections (a) and (b)

notwithstanding, no person shall keep, offer, display, expose

for sale, or solicit the sale of any perishable consumer

commodity that is labeled "made in Hawaii", "produced in

Hawaii", or "processed in Hawaii" or that by any other means

represents the origin of the perishable consumer commodity as

being from any place within the State, or use the phrase "made



1 in Hawaii", "produced in Hawaii", or "processed in Hawaii" as an  
2 advertising or media tool for any perishable consumer commodity,  
3 unless the perishable consumer commodity is wholly or partially  
4 manufactured, processed, or produced within the State from raw  
5 materials that originate from inside or outside the State and at  
6 least fifty-one per cent of the wholesale value of the  
7 perishable consumer commodity is added by manufacture,  
8 processing, or production within the State."

9 SECTION 3. The department of agriculture shall transfer  
10 ownership of the "made in Hawaii with aloha" trademark to the  
11 department of .

12 SECTION 4. There is appropriated out of the general  
13 revenues of the State of Hawaii the sum of \$ or so  
14 much thereof as may be necessary for fiscal year 2021-2022 and  
15 the same sum or so much thereof as may be necessary for fiscal  
16 year 2022-2023 for the oversight and administration of the "made  
17 in Hawaii" program and for the department of to  
18 promote the "made in Hawaii with aloha" brand.

19 The sums appropriated shall be expended by the department  
20 of for the purposes of section 1 of this part.



## PART II

SECTION 5. Chapter 37, Hawaii Revised Statutes, is amended by adding a new section to part II to be appropriately designated and to read as follows:

**"§37- Appropriations for marketing or advertising; consolidation of funding, expenditure, and strategy. (a) Any provision of law to the contrary notwithstanding, all moneys appropriated from any source for marketing or advertising activities for the department of agriculture; department of business, economic development, and tourism; or department of land and natural resources for marketing or advertising shall not be released or expended unless in accordance with this section; provided that this section shall not apply to the marketing or advertising activities of the Hawaii tourism authority.**

**(b) The chairperson of the board of agriculture or the chairperson's designee, the chairperson of the board of land and natural resources or the chairperson's designee, and the director of business, economic development, and tourism or the director's designee, with support from the administrator of the business development and support division of the department of**



business, economic development, and tourism, shall draft and  
publish a master plan for the expenditure of moneys appropriated  
to the respective departments for marketing or advertising. The  
department of business, economic development, and tourism shall  
submit the master plan to the legislature upon the plan's  
completion; provided that the plan shall be submitted no later  
than thirty days prior to the convening of the regular session  
of 2022.

(c) The chairperson of the board of agriculture or the  
chairperson's designee, the chairperson of the board of land and  
natural resources or the chairperson's designee, and the  
director of business, economic development, and tourism or the  
director's designee, with support from the administrator of the  
business development and support division of the department of  
business, economic development, and tourism, may update the  
master plan pursuant to subsection (b) as needed; provided that  
the department of business, economic development, and tourism  
shall submit the updated master plan, with a summary of the  
amendments made to the master plan, to the legislature no later  
than thirty days prior to the convening of the legislature's  
next regular session.



1       (d) The chairperson of the board of agriculture and the  
2 chairperson of the board of land and natural resources shall  
3 expend the moneys appropriated to their agencies for marketing  
4 or advertising only after obtaining the approval of the  
5 administrator of the business development and support division  
6 of the department of business, economic development, and  
7 tourism; provided that any expenditure shall be in accordance  
8 with the master plan.

9       (e) The administrator of the business development and  
10 support division of the department of business, economic  
11 development, and tourism may request, and the department of  
12 agriculture and the department of land and natural resources, as  
13 the case may be, shall transfer, moneys appropriated to the  
14 respective department for marketing or advertising to accounts  
15 designated by the administrator of the business development and  
16 support division of the department of business, economic  
17 development, and tourism for the purpose of consolidating and  
18 expending marketing or advertising appropriations.

19       (f) No later than thirty days prior to the convening of  
20 each regular session, the chairperson of the board of  
21 agriculture or the chairperson's designee, the chairperson of



1 the board of land and natural resources or the chairperson's  
2 designee, the director of business, economic development, and  
3 tourism or the director's designee, and the administrator of the  
4 business development and support division of the department of  
5 business, economic development, and tourism shall jointly submit  
6 a report to the legislature on the expenditure of moneys  
7 appropriated pursuant to the master plan for marketing or  
8 advertising purposes. The report shall include:

9 (1) The target commodities or industries of any marketing  
10 or advertising campaign;

11 (2) The target populations of any marketing or advertising  
12 campaign;

13 (3) The target outcomes of any marketing or advertising  
14 campaign;

15 (4) The outcomes achieved by any marketing or advertising  
16 campaign;

17 (5) The impact on industry or markets as a result of any  
18 marketing or advertising campaign; and

19 (6) An evaluation of the master plan, which shall include:





1           (A) An evaluation of the master plan's relevance to  
2           the State's economic development and growth  
3           objectives;

4           (B) An analysis of whether the master plan is  
5           effective in meeting those objectives; and

6           (C) Any potential amendments to the master plan,  
7           taking into consideration the evaluation  
8           conducted pursuant to this paragraph.

9           (g) For the purposes of this section:

10           "Marketing or advertising" means any program appropriation  
11           contained in the general appropriations act, supplemental  
12           appropriations act, or any other law, that is to be expended to  
13           retain or expand an economic sector; provided that "marketing or  
14           advertising" shall not include the expenditure of public funds  
15           for public communications or press releases from state agencies.

16           "Master plan" means the marketing and advertising master  
17           plan required pursuant to subsection (b), as may be updated  
18           pursuant to subsection (c)."

19           SECTION 6. Chapter 171, Hawaii Revised Statutes, is  
20           amended by adding a new section to be appropriately designated  
21           and to read as follows:



1        "§171-        Marketing and advertising activities. Any  
2        appropriations to the department for advertising or marketing  
3        shall be expended in accordance with section 37-        ."

4        SECTION 7. Section 141-1, Hawaii Revised Statutes, is  
5        amended to read as follows:

6        **"§141-1 Duties in general.** The department of agriculture  
7        shall:

8            (1) Gather, compile, and tabulate, from time to time,  
9            information and statistics concerning:

10            (A) Entomology and plant pathology: Insects, scales,  
11            blights, and diseases injurious or liable to  
12            become injurious to trees, plants, or other  
13            vegetation, and the ways and means of  
14            exterminating pests and diseases already in the  
15            State and preventing the introduction of pests  
16            and diseases not yet here; and

17            (B) General agriculture: Fruits, fibres, and useful  
18            or ornamental plants and their introduction,  
19            development, care, and manufacture or  
20            exportation, with a view to introducing,



1                   establishing, and fostering new and valuable  
2                   plants and industries;

3       (2)   Encourage and cooperate with the agricultural  
4           extension service and agricultural experiment station  
5           of the University of Hawaii and all private persons  
6           and organizations doing work of an experimental or  
7           educational character coming within the scope of the  
8           subject matter of chapters 141, 142, and 144 to 150A,  
9           and avoid, as far as practicable, duplicating the work  
10          of those persons and organizations;

11       (3)   Enter into contracts, cooperative agreements, or other  
12           transactions with any person, agency, or organization,  
13           public or private, as may be necessary in the conduct  
14           of the department's business and on [~~such~~] terms as  
15           the department may deem appropriate; provided that the  
16           department shall not obligate any funds of the State,  
17           except the funds that have been appropriated to the  
18           department. Pursuant to cooperative agreement with  
19           any authorized federal agency, employees of the  
20           cooperative agency may be designated to carry out, on  
21           behalf of the State the same as department personnel,



1 specific duties and responsibilities under  
2 chapters 141, 142, 150A, and rules adopted pursuant to  
3 those chapters, for the effective prosecution of pest  
4 control and animal disease control and the regulation  
5 of import into the State and intrastate movement of  
6 regulated articles[~~7~~]. Any contracts, cooperative  
7 agreements, or other transactions conducted pursuant  
8 to this paragraph for advertising or marketing shall  
9 be done in accordance with section 37- ;

- 10 (4) Secure copies of the laws of other states,  
11 territories, and countries, and other publications  
12 germane to the subject matters of chapters 141, 142,  
13 and 144 to 150A, and make laws and publications  
14 available for public information and consultation;
- 15 (5) Provide buildings, grounds, apparatus, and  
16 appurtenances necessary for the examination,  
17 quarantine, inspection, and fumigation provided for by  
18 chapters 141, 142, and 144 to 150A; for the obtaining,  
19 propagation, study, and distribution of beneficial  
20 insects, growths, and antidotes for the eradication of  
21 insects, blights, scales, or diseases injurious to



1           vegetation of value and for the destruction of  
2           injurious vegetation; and for carrying out any other  
3           purposes of chapters 141, 142, and 144 to 150A;

4           (6) Formulate and recommend to the governor and  
5           legislature additional legislation necessary or  
6           desirable for carrying out the purposes of  
7           chapters 141, 142, and 144 to 150A;

8           (7) Publish at the end of each year a report of the  
9           expenditures and proceedings of the department and of  
10          the results achieved by the department, together with  
11          other matters germane to chapters 141, 142, and 144  
12          to 150A and that the department may deem proper;

13          (8) Administer a program of agricultural planning and  
14          development, including the formulation and  
15          implementation of general and special plans, including  
16          but not limited to the functional plan for  
17          agriculture; administer the planning, development, and  
18          management of the agricultural park program; plan,  
19          construct, operate, and maintain the state irrigation  
20          water systems; review, interpret, and make  
21          recommendations with respect to public policies and



1 actions relating to agricultural land and water use;  
2 assist in research, evaluation, development,  
3 enhancement, and expansion of local agricultural  
4 industries; and serve as liaison with other public  
5 agencies and private organizations for the above  
6 purposes. In the foregoing, the department shall act  
7 to conserve and protect agricultural lands and  
8 irrigation water systems, promote diversified  
9 agriculture, increase agricultural self-sufficiency,  
10 and ensure the availability of agriculturally suitable  
11 lands; and

12 (9) Manage, administer, and exercise control over any  
13 public lands, as defined under section 171-2, that are  
14 designated important agricultural lands pursuant to  
15 section 205-44.5, including but not limited to  
16 establishing priorities for the leasing of these  
17 public lands within the department's jurisdiction."

18 SECTION 8. Section 201-3, Hawaii Revised Statutes, is  
19 amended by amending subsection (a) to read as follows:



1 "[+] (a) [+] Without prejudice to its general functions and  
2 duties, the department of business, economic development, and  
3 tourism shall have specific functions in the following areas:

4 (1) Industrial development. The department shall:

5 (A) Determine through technical and economic surveys  
6 the profit potential of new or expanded  
7 industrial undertakings;

8 (B) Develop through research projects and other means  
9 new and improved industrial products and  
10 processes;

11 (C) Promote studies and surveys to determine consumer  
12 preference as to design and quality and to  
13 determine the best methods of packaging,  
14 transporting, and marketing the State's  
15 industrial products;

16 (D) Disseminate information to assist the present  
17 industries of the State, to attract new  
18 industries to the State, and to encourage capital  
19 investment in present and new industries in the  
20 State;



1 (E) Assist associations of producers and distributors  
2 of industrial products to introduce these  
3 products to consumers; and

4 (F) Make grants or contracts as may be necessary or  
5 advisable to accomplish the foregoing;

6 (2) Land development. The department shall:

7 (A) Encourage the most productive use of all land in  
8 the State in accordance with a general plan  
9 developed by the department;

10 (B) Encourage the improvement of land tenure  
11 practices on leased private lands;

12 (C) Promote an informational program directed to  
13 landowners, producers of agricultural and  
14 industrial commodities, and the general public  
15 regarding the most efficient and most productive  
16 use of the lands in the State; and

17 (D) Make grants or contracts as may be necessary or  
18 advisable to accomplish the foregoing;

19 (3) Credit development. The department shall:

20 (A) Conduct a continuing study of agricultural and  
21 industrial credit needs;





1 (B) Encourage the development of additional private  
2 and public credit sources for agricultural and  
3 industrial enterprises;

4 (C) Promote an informational program to acquaint  
5 financial institutions with agricultural and  
6 industrial credit needs and the potential for  
7 agricultural and industrial expansion, and inform  
8 producers of agricultural and industrial products  
9 as to the manner in which to qualify for loans;  
10 and

11 (D) Make grants or contracts as may be necessary or  
12 advisable to accomplish the foregoing;

13 (4) Promotion. The department shall:

14 (A) Disseminate information developed for or by the  
15 department pertaining to economic development to  
16 assist present industry in the State;

17 (B) Attract new industry and investments to the  
18 State; ~~and~~

19 (C) Assist new and emerging industry with good growth  
20 potential or prospects in jobs, exports, and new  
21 products~~[ ]~~; and



1       (D) Review, amend, request modifications to, approve,  
2       or reject marketing or advertising strategies,  
3       projects, contracts, and expenditures of the  
4       department of agriculture and department of land  
5       and natural resources, as deemed necessary by the  
6       legislature by law.

7       The industrial and economic promotional activities of  
8       the department may include the use of literature,  
9       advertising, demonstrations, displays, market testing,  
10      lectures, travel, motion picture and slide films, and  
11      other promotional and publicity devices as may be  
12      appropriate[+]. Any expenditures made pursuant to  
13      this paragraph shall be done in accordance with  
14      section 37-     ; and

15      (5) Self-sufficiency standard. The department shall  
16      establish and update biennially a self-sufficiency  
17      standard that shall incorporate existing methods of  
18      calculation, and shall reflect, at a minimum, costs  
19      relating to housing, food, child care, transportation,  
20      health care, clothing and household expenses, federal  
21      and state tax obligations, family size, children's



1           ages, geography, and the number of household wage  
2           earners. The department shall report to the  
3           legislature concerning the self-sufficiency standard  
4           no later than twenty days prior to the convening of  
5           the regular session of 2009, and every odd-numbered  
6           year thereafter. The recommendations shall address,  
7           among other things, the use of any federal funding  
8           that may be available for the purposes of establishing  
9           and updating the self-sufficiency standard."

10          SECTION 9. Any provision of law to the contrary  
11       notwithstanding, all moneys appropriated for marketing or  
12       advertising purposes to the department of agriculture and the  
13       department of land and natural resources pursuant to the general  
14       appropriations act or supplemental appropriations act for fiscal  
15       biennium 2021-2023 shall not be released or expended:

16           (1) Unless the administrator of the business development  
17               and support division of the department of business,  
18               economic development, and tourism has reviewed and  
19               approved the marketing plan and contract to be funded  
20               by the appropriated funds; and



(2) Until after the initial marketing and advertising  
master plan required pursuant to section 5 of this  
part is published and submitted to the legislature.

PART III

SECTION 10. Statutory material to be repealed is bracketed  
and stricken. New statutory material is underscored.

SECTION 11. This Act shall take effect on July 1, 2050.



**Report Title:**

Economic Development; Made in Hawaii Program; Grown in Hawaii Program; DBEDT; DLNR; HDOA; Consolidation of Marketing and Advertising Activities; Appropriation

**Description:**

Transfers oversight of the "Made in Hawaii" program as it relates to manufactured products to another department. Places the "Grown in Hawaii with Aloha" program under the management of the Department of Agriculture. Transfers ownership of the "Made in Hawaii with Aloha" trademark from the Department of Agriculture to another department. Appropriates funds to an unspecified department. Requires the creation of a master plan for the marketing and advertising activities of the Department of Agriculture; Department of Business, Economic Development, and Tourism; and Department of Land and Natural Resources. Requires expenditures of moneys for marketing and advertising to be done in accordance with the master plan. Effective 7/1/2050. (HD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

