
A BILL FOR AN ACT

RELATING TO ECONOMIC DEVELOPMENT.

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

1 PART I

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

5 "§201- Hawaii manufactured products program oversight;
6 "made in Hawaii with aloha" trademark. (a) The department of
7 business, economic development, and tourism shall administer and
8 oversee a "made in Hawaii" program for manufactured products and
9 shall hold ownership of the "made in Hawaii with aloha"
10 trademark.

11 (b) No person shall:

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

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

16 (B) By any other means, represents the origin of the
17 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~~]:



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

2 or [~~that by~~]

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

4 the origin of the item as being from any place

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

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

7 an advertising or media tool,

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

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

10 State [~~and~~] or that has not had at least [~~fifty-one~~] sixty per

11 cent of its [~~wholesale value added by manufacture, assembly,~~

12 ~~fabrication, or production~~] inputs grown by a certified grown in

13 Hawaii with aloha raw product within the State.

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

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

16 for sale, or solicit the sale of any perishable consumer

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

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

19 represents the origin of the perishable consumer commodity as

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

21 in Hawaii", "produced in Hawaii", or "processed in Hawaii" as an



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

8 SECTION 3. The department of agriculture shall transfer
9 ownership of the "made in Hawaii with aloha" trademark to the
10 department of business, economic development, and tourism.

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

19 The sums appropriated shall be expended by the department
20 of business, economic development, and tourism for the purposes
21 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



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

9 (c) The chairperson of the board of agriculture or the
10 chairperson's designee, the chairperson of the board of land and
11 natural resources or the chairperson's designee, and the
12 director of business, economic development, and tourism or the
13 director's designee, with support from the administrator of the
14 business development and support division of the department of
15 business, economic development, and tourism, may update the
16 master plan pursuant to subsection (b) as needed; provided that
17 the department of business, economic development, and tourism
18 shall submit the updated master plan, with a summary of the
19 amendments made to the master plan, to the legislature no later
20 than thirty days prior to the convening of the legislature's
21 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) Not 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,



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

- (4) Secure copies of the laws of other states, territories, and countries, and other publications germane to the subject matters of chapters 141, 142, and 144 to 150A, and make laws and publications available for public information and consultation;
- (5) Provide buildings, grounds, apparatus, and appurtenances necessary for the examination, quarantine, inspection, and fumigation provided for by chapters 141, 142, and 144 to 150A; for the obtaining, propagation, study, and distribution of beneficial insects, growths, and antidotes for the eradication of 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 chapters
7 141, 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 to
12 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



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

4 PART III

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

7 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 the Department of Business, Economic Development, and Tourism. 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 the Department of Business, Economic Development, and Tourism. Appropriates funds to the Department of Business, Economic Development, and Tourism. 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 PROPOSED)

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