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LEGISLATIVE REFERENCE BUREAU
State of Hawaii
State Capitol, Room 446
415 S. Beretania Street
Honolulu, Hawaii 96813

Written Comments

HCR188

REQUESTING THE LEGISLATIVE REFERENCE BUREAU, IN CONSULTATION WITH THE DEPARTMENT OF AGRICULTURE, DEPARTMENT OF TAXATION, AND HAWAII EMERGENCY MANAGEMENT AGENCY, TO CONDUCT A STUDY TO RECOMMEND TO THE LEGISLATURE HOW TO SUPPORT GREATER LOCAL PRODUCTION OF FOOD

Charlotte A. Carter-Yamauchi, Director
Legislative Reference Bureau

Presented to the House Committee on Agriculture

Friday, March 19, 2021, 11:00 a.m.
Conference Room 325

Chair Hashem and Members of the Committee:

Good morning Chair Hashem and members of the Committee, my name is Charlotte Carter-Yamauchi, and I am the Director of the Legislative Reference Bureau. Thank you for providing the opportunity to submit written **comments** on H.C.R. 188, Requesting the Legislative Reference Bureau, in Consultation with the Department of Agriculture, Department of Taxation, and Hawaii Emergency Management Agency, to Conduct a Study to Recommend to the Legislature How to Support Greater Local Production of Food.

The purpose of this measure is to request the Legislative Reference Bureau to conduct a study to recommend to the Legislature how to support greater local production of food, in consultation with Department of Agriculture, Department of Taxation, and Hawaii Emergency Management Agency. The study is requested to include an examination of how:

- (1) General excise tax exemptions could support greater local production of food;
- (2) Greater local production of food could help diversify Hawaii's economy; and

- (3) Greater local production of food could help ensure that Hawaii's population continues to have access to food if the State's harbors are ever rendered inaccessible due to a natural- or human-caused disaster.

The measure further requests the Bureau to submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the Regular Session of 2022.

The Bureau takes no position on this measure but submits the following comments for your consideration.

With regard to the study requested of the Bureau, we note that the Bureau has no specific expertise regarding agriculture, food production, disaster resiliency and recovery, or the general excise tax. We further note that the measure requests the Bureau to consult with the Department of Agriculture, Department of Taxation, and Hawaii Emergency Management Agency in conducting the study. Because those agencies likely already possess the information, data, and expertise required to conduct the analysis and make the recommendations requested by this measure, it would seem more immediately beneficial to establish a task force of representatives from the aforementioned agencies to examine the issues requested by this measure and report back to the Legislature.

If the measure is amended in this manner and the Committee desires to keep the Bureau involved, we would respectfully request that the measure be further amended to have the Bureau assist with only the drafting of any proposed legislation that may be a product of the foregoing agencies' findings and recommendations. Further, we would ask that those agencies submit to the Bureau by December 1, 2021, any draft documents for the proposed legislation to allow us adequate time to prepare bill drafts. The Bureau believes that such alternative assistance would be manageable, provided that the Bureau's interim workload is not adversely impacted by too many other studies or additional responsibilities, such as conducting, writing, or finalizing other reports, drafting legislation, or both, for other state agencies, task forces, or working groups that may be requested or required under other legislative measures.

Thank you again for the opportunity to submit written comments.

DAVID Y. IGE
GOVERNOR

JOSH GREEN M.D.
LT. GOVERNOR



ISAAC W. CHOY
DIRECTOR OF TAXATION

STATE OF HAWAII
DEPARTMENT OF TAXATION
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To: The Honorable Mark J. Hashem, Chair;
The Honorable Amy A. Perruso, Vice Chair;
and Members of the House Committee on Agriculture

From: Isaac W. Choy, Director
Department of Taxation

Date: March 19, 2021
Time: 11:00 A.M.
Place: Via Videoconference, Hawaii State Capitol

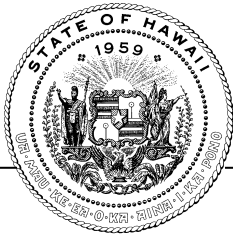
Re: H.C.R. 188

The Department of Taxation (Department) offers the following comments regarding H.C.R. 188 for your consideration.

H.C.R. 188 requests that the Legislative Reference Bureau (LRB), in consultation with the Department and other agencies, conduct a study and recommend to the Legislature how to support greater local production of food. The study requests specific focus on how general excise tax (GET) exemptions could support greater local production of food, as well as how greater local production of food could enhance economic diversification and disaster-relief efforts. The resolution requests that a report of findings and recommendations be submitted no later than twenty days prior to the Regular Session of 2022.

The Department defers to the Department of Agriculture (DOA) and the Hawaii Emergency Management Agency (HIEMA) on the substantive merits and issues surrounding local food production, as it does not possess sufficient subject-matter expertise to opine on this important issue. The Department notes, however, that there are already multiple GET exemptions and Hawaii income tax credits that relate to agriculture. Moreover, targeting tax benefits only to “local” producers may likely create an issue with the Commerce Clause of the U.S. Constitution.

Thank you for the opportunity to provide testimony on this resolution.



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DAVID Y. IGE
GOVERNOR

MARY ALICE EVANS
DIRECTOR
OFFICE OF PLANNING

Statement of
MARY ALICE EVANS
Director, Office of Planning
before the
HOUSE COMMITTEE ON AGRICULTURE
Friday, March 19, 2021
11:00 AM
State Capitol

in consideration of
HCR 188/HR 157

REQUESTING THE LEGISLATIVE REFERENCE BUREAU, IN CONSULTATION WITH THE DEPARTMENT OF AGRICULTURE, DEPARTMENT OF TAXATION, AND HAWAII EMERGENCY MANAGEMENT AGENCY, TO CONDUCT A STUDY TO RECOMMEND TO THE LEGISLATURE HOW TO SUPPORT GREATER LOCAL PRODUCTION OF FOOD.

Chair Hashem, Vice Chair Perruso, and Members of the House Committee:

The Office of Planning (OP) offers the following **comments and amendments** supporting the intent of HCR 188/HR 157.

The Office of Planning is actively working on the sustainable development and climate adaptation of the state to meet the needs of the present without compromising the ability of future generations of Hawai'i to meet their own needs.

The Office of Planning last published a similar food security study in October 2012, [*Increased Food Security and Food Self-Sufficiency Strategy*](#), available on the Office of Planning's website.

The Office of Planning offers the **friendly amendment** for the Office of Planning to conduct the study requested by this resolution instead of the Legislative Reference Bureau.

The Office of Planning supports the intent to holistically and comprehensively study how to support greater local production of food. The Office of Planning envisions building this study off of the previous 2012 study, and holistically incorporating the:

- Department of Agriculture's hard work on this subject through the planning and development of the local food production plan pursuant to Act 151, Session Laws of Hawai'i 2019,
- Department of Taxation's knowledgebase in potential financial incentives to improve local food production, and
- Hawai'i Emergency Management Agency's knowledgebase and data on food security as it relates to Hawai'i's resilience during disasters.

Mahalo for this opportunity to testify on HCR 188/ HR 157.

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS ATTA
Deputy to the Chairperson

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DEPARTMENT OF AGRICULTURE
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**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE HOUSE COMMITTEE ON AGRICULTURE

**FRIDAY, MARCH 19, 2021
11:00 A.M.
Via VIDEOCONFERENCE**

**HCR 188 / HR 157
REQUESTING THE LEGISLATIVE REFERENCE BUREAU, IN CONSULTATION WITH
THE DEPARTMENT OF AGRICULTURE, DEPARTMENT OF TAXATION, AND
HAWAII EMERGENCY MANAGEMENT AGENCY, TO CONDUCT A STUDY TO
RECOMMEND TO THE LEGISLATURE HOW TO SUPPORT GREATER LOCAL
PRODUCTION OF FOOD.**

Chairperson Hashem and Members of the Committee:

Thank you for the opportunity to testify on House Concurrent Resolution 188 and Resolution 157. These resolutions request the Legislative Reference Bureau, in consultation with the Department of Agriculture, Department of Taxation, and Hawaii Emergency Management Agency, to conduct a study to recommend to the Legislature how to support greater local production of food.

The Department offers comments and otherwise defers to the Legislative Reference Bureau, Department of Taxation, and Hawaii Emergency Management Agency.

More local production and local consumption of fresh foods and export of fresh and value-added foods will help to diversify the economy and provide some buffer in the availability of fresh foods in the event of a shutdown of the State's harbors due to natural or human causes. With the visitor industry showing signs of modest recovery,



this may help in the alacrity and magnitude of recovery by agricultural operations that have, to date, survived the effects of the shutdown of the visitor industry resulting from the public health response to the pandemic. We understand that agricultural producers lost about 40 to 60 percent of their sales since early in 2020. Exemptions to the General Excise Tax may help agricultural producers but wouldn't a farmer prefer to have increased production and product sales first and foremost? We believe it is supporting the most reasonably safe and expeditious return of visitors to Hawaii and the re-employment and return of economic security of Hawaii's residents that will help stabilize Hawaii's agricultural producers and lead to agriculture's increasing contribution to diversifying the State's economy and increasing food production to provide the buffer sought in these resolutions. Therefore, the Department respectfully requests that these resolutions be held in Committee.

Thank you for the opportunity to provide testimony on these resolutions.



Email: communications@ulupono.com

HOUSE COMMITTEE ON AGRICULTURE
Friday, March 19, 2021 — 11:00 a.m.

Ulupono Initiative supports HCR 188, Requesting the Legislative Reference Bureau, in consultation with the Department of Agriculture, Department of Taxation, and Hawai'i Emergency Management Agency, to conduct a study to recommend to the Legislature how to support greater local production of food.

Dear Chair Hashem and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food; renewable energy and clean transportation; and better management of freshwater and waste.

Ulupono supports HCR 188, which requests a study to identify ways in which the State can support an increase in local food production, particularly with General Excise Tax exemptions, initiatives to diversify the State's economy, and community food access should the ports close to a natural or human-caused disaster.

As Hawai'i's local food issues become increasingly complex and challenging, local producers will need additional resources and support to address and overcome them. Ulupono supports efforts to increase local food production here in the state, while also decreasing and eliminating hurdles for those looking to invest in new opportunities for Hawai'i agricultural production.

Natural disasters and state emergencies have become a harsh, consistent reality to our local community. Hawai'i's farmers and ranchers are essential to our community during these times, as food supply lines can be interrupted or completely shut down. We saw this during the pandemic when several major national meat processing plants closed due to COVID-19 outbreaks that created shortages of various meat products nationwide. By providing incentives, such as GET exemptions or other initiatives, local producers may be more willing to make critical investments into their operations, scale up to meet local food demand, and bolster our state's food security.

Investing in a Sustainable Hawai'i



Should this measure continue to move forward, Ulupono is willing to work with the relevant government stakeholders on potential resources that can be utilized to develop an effective local food production plan.

Thank you for this opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

HCR-188

Submitted on: 3/17/2021 9:21:58 AM

Testimony for AGR on 3/19/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Regina Gregory	Individual	Support	No

Comments:

Suggest you also involve the UH College of Tropical Agriculture and Human resources (CTAHR).

HCR-188

Submitted on: 3/17/2021 12:12:47 PM

Testimony for AGR on 3/19/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Victoria Anderson	Individual	Support	No

Comments:

Please pass this important resolution.

HCR-188

Submitted on: 3/19/2021 10:56:40 AM

Testimony for AGR on 3/19/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Daniel Lee	Individual	Support	No

Comments:

Support food that supports local farmers, with more nutrition than that which loses nutrition when it is shipped from miles away, and protect ag land!

Thank you for your consideration.

HCR-188

Submitted on: 3/19/2021 10:58:58 AM

Testimony for AGR on 3/19/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Rikako Ishiki	Individual	Support	No

Comments:

Support local ag that puts wages in local family's pockets, local hands into the 'aina, and for our ag lands to thrive!

Thank you for hearing this resolution.