

JAN 26 2022

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# A BILL FOR AN ACT

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RELATING TO ECONOMIC DEVELOPMENT.

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

1       SECTION 1. Section 201-3.5, Hawaii Revised Statutes, is  
2 amended by amending subsection (b) to read as follows:

3       "(b) For purposes of this section, the department of  
4 business, economic development, and tourism shall:

5       (1) Promote consumer demand for "Hawaii Made" products;

6       (2) Coordinate manufacturing of "Hawaii Made" products;

7       (3) Coordinate and promote distribution channels for

8       "Hawaii Made" products;

9       (4) ~~[Ensure that]~~ Promote the acquisition of appropriate

10       patents and copyrights ~~[are acquired]~~ for "Hawaii

11       Made" products; and

12       (5) Identify new funding opportunities to promote the

13       expansion of "Hawaii Made" products."

14       SECTION 2. The department of business, economic  
15 development, and tourism shall conduct a study and prepare a  
16 plan that shall:

17       (1) Assess and compare the current and potential value of

18       using the "Hawaii Made" or "Made in Hawaii" brands and

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determine which term provides the most benefit to  
Hawaii manufacturers;

(2) Summarize and assess previous work relating to the  
"Hawaii Made" or "Made in Hawaii" brand to identify  
significant areas for improvement, increased  
effectiveness, and flexibility of use;

(3) Review best practices that could serve as a model to  
promote and enforce a viable "Hawaii Made" or "Made in  
Hawaii" brand;

(4) Develop a brand look and mark that incorporates  
cultural values and is sensitive to the concerns of  
the broader community of stakeholders, and is  
marketable locally, nationally, and internationally;

(5) Determine incentives that would compel Hawaii  
companies to become certified as companies producing  
products "Hawaii Made" or "Made in Hawaii," such as  
tax credits, grants, and promotional support; and

(6) Determine proper and effective enforcement procedures  
and responsibilities, including inspection,  
investigative, and subpoena powers, citations, fines,  
and injunctive relief.

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1       The department of business, economic development, and  
2       tourism shall submit a final report of its findings and  
3       recommendations, including any proposed legislation, to the  
4       legislature no later than twenty days prior to the convening of  
5       the regular session of 2023.

6       SECTION 3. There is appropriated out of the general  
7       revenues of the State of Hawaii the sum of \$250,000 or so much  
8       thereof as may be necessary for fiscal year 2022-2023 for the  
9       purposes of this Act.

10       The sum appropriated shall be expended by the department of  
11       business, economic development, and tourism for the purposes of  
12       this Act.

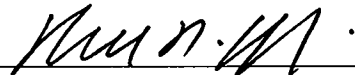
13       SECTION 4. Statutory material to be repealed is bracketed  
14       and stricken. New statutory material is underscored.

15       SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY:



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BY REQUEST

# S.B. NO. 3050

**Report Title:**

"Hawaii Made"; "Made in Hawaii"; Appropriation

**Description:**

Requires the Department of Business, Economic Development, and Tourism to promote the acquisition of appropriate patents and copyrights for "Hawaii Made" products and to conduct a study and prepare a plan for the promotion and enforcement of either a "Hawaii Made" or "Made in Hawaii" program and evaluate which name to use.

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

JUSTIFICATION SHEET

DEPARTMENT: Business, Economic Development, and Tourism.

TITLE: A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT.

PURPOSE: To require the Department of Business, Economic Development, and Tourism (DBEDT) to promote the acquisition of appropriate patents and copyrights for "Hawaii Made" products and to conduct a study and prepare a plan to determine whether "Hawaii Made" or "Made in Hawaii" would be the more effective name to use and for the promotion and enforcement of the program.

MEANS: Amend section 201-3.5, Hawaii Revised Statutes.

JUSTIFICATION: In 2021, the legislature passed Senate Bill 263, S.D.2, H.D.2, C.D.1, which gave DBEDT oversight of the "Hawaii Made" program. The Governor vetoed the bill (Governor's Message No. 1295) because the labeling requirements would result in duplicative jurisdiction over the same labeling regulation between DBEDT and the Department of Agriculture (DOA). Moreover, while DOA has statutory means of enforcement, DBEDT would not.

Both the House and Senate overrode the Governor's veto on July 6, 2021, and the bill became Act 2 of the Special Session 2021.

The proposed measure requires DBEDT to conduct a study to prepare a plan for the promotion and enforcement of the program and determine whether "Hawaii Made" or "Made in Hawaii" would be the more effective name to use.

Impact on the public: The goal is to expand the number of companies that will seek to be certified to use the "Hawaii Made" or "Made

in Hawaii" product designation and preserve the integrity of its usage.

Impact on the department and other agencies:  
The proposed measure should help to clarify the purpose and scope of the program and determine the proper enforcement procedures and responsibilities.

GENERAL FUND: \$250,000.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: BED-100.

OTHER AFFECTED  
AGENCIES: Department of Budget and Finance.

EFFECTIVE DATE: Upon Approval.