

Honolulu, Hawaii  
, 2022

APR 08

RE: S.B. No. 2384  
S.D. 2  
H.D. 2

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2384, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HAWAII PRODUCTS PREFERENCE,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Amend the procurement preference for Hawaii products to only apply to agricultural goods, value-added products, and commodities; and
- (2) Require the Department of Accounting and General Services to provide written notice to offerors listed on the Hawaii products list regarding any amendments to the list, including effective dates and dates of repeal.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, University of Hawai'i System, Department of Budget and Fiscal Services of the City and County of Honolulu, Ulupono Initiative, Hawai'i Farm Bureau, and Hawaii Food+ Policy. Your Committee received comments on this measure from the State Procurement Office.



Your Committee finds that the Hawaii products preference in the Hawaii Public Procurement Code was established to encourage the use of Hawaii products by bidders to support local industries. Your Committee further finds that bid preferences require additional time and resources to review and analyze, complicate and further delay the procurement process, increase chances for protest and complaints, and increase the costs. Eliminating the Hawaii product preference as it applies to public works construction will improve government efficiency in this area of procurement. This measure therefore narrows the scope of the Hawaii products preference to apply only to agricultural goods, value-added products, and commodities.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2384, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2384, S.D. 2, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,

  
\_\_\_\_\_  
AARON LING JOHANSON, Chair



State of Hawaii  
House of Representatives  
The Thirty-first Legislature

HJR 1909-22

**Record of Votes of the Committee on Consumer Protection & Commerce**

Bill/Resolution No.: <b>SB 2384, SD2, HD1</b>	Committee Referral: <b>GVR, CPC</b>	Date: <b>3/31/22</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)	✓			
2. KITAGAWA, Lisa (VC)	✓			
3. AQUINO, Henry J.C.				✓
4. HAR, Sharon E.	✓			
5. HASHEM, Mark J.	✓			
6. KONG, Sam Satoru	✓			
7. MIZUNO, John M.				✓
8. MORIKAWA, Dee	✓			
9. ONISHI, Richard H.K.	✓			
10. TARNAS, David A.	✓			
11. MATSUMOTO, Lauren	✓			
<b>TOTAL (11)</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>2</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u><i>Lisa Kitagawa</i></u>				
Distribution:            Original (White) – Committee            Duplicate (Yellow) – Chief Clerk's Office            Duplicate (Pink) – HMSO				