

STAND. COM. REP. NO.

2994

Honolulu, Hawaii

**MAR 04 2022**

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

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committees on Judiciary and Ways and Means, to which was referred S.B. No. 2384, S.D. 1, entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to amend the procurement preference for Hawai'i products to only apply to agricultural goods, value-added products, and commodities.

Your Committees received testimony in support of this measure from the Department of Agriculture, Department of Accounting and General Services, University of Hawai'i System, Hawai'i Farm Bureau, Ulupono Initiative, Get Fit Kauai, Food+ Policy Internship 2022, and one individual. Your Committees received comments on this measure from the State Procurement Office.

Your Committees find that the preference for Hawai'i products was established to encourage the use of Hawai'i products by bidders to support local industries. Contractors and subcontractors have indicated that it is common practice to source products locally due to availability and pricing, which levels the playing field for all vendors. Since contractors and subcontractors already use Hawai'i products, this incentive is no longer necessary. Your Committees find, however, that the preference should remain in effect for agricultural goods to further the State's food production and sustainability goals.

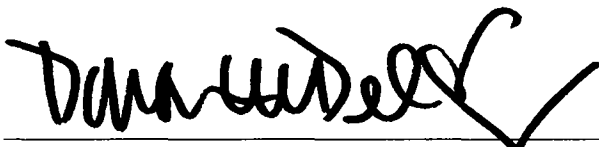


Your Committees have amended this measure by:

- (1) Incorporating the changes proposed by the State Procurement Office as follows;
  - (A) Clarifying that "Hawaii input" includes the cost to mine, excavate, produce, manufacture, raise, grow, assemble, or fabricate the material in Hawai'i;
  - (B) Specifying that the Hawai'i products preference shall not apply when the solicitation is for public works construction; and
  - (C) Specifying that the Department of Accounting and General Services shall provide written notice of any amendments to section 103D-1002, Hawaii Revised Statutes, including effective dates and dates of repeal to all vendors of construction products who are registered on the Hawai'i products list with the State Procurement Office; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Judiciary and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2384, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2384, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committees on Judiciary and  
Ways and Means,

  
\_\_\_\_\_  
DONOVAN M. DELA CRUZ, Chair

  
\_\_\_\_\_  
KARL RHOADS, Chair





