

Honolulu, Hawaii

FEB 10 2021

RE: S.B. No. 668

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 668 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Rename the agricultural development and food security special fund as the land, aquaculture, freshwater, or sea-based food development and food security special fund; and
- (2) Expand the scope of the special fund to include land, aquaculture, freshwater, or sea-based food production.

Your Committee received testimony in support of this measure from the Hawai'i Farm Bureau and one individual. Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds that Hawaii's aquaculture industry farm gate is valued at \$76,400,000, the third highest contribution to the economy in diversified agriculture. The current state environmental response, energy, and food security tax on each barrel or fractional barrel of petroleum product was intended to support critical investments in clean energy, local agricultural production, and environmental responses. Your Committee further



finds that aquaculture is poised to make a significant contribution to the Governor's goal of doubling local food production. Therefore, the inclusion of aquaculture as allowable expenses of the barrel tax will allow for additional investment in foundational infrastructure and research, including helping farmers use research-based knowledge, achieving greater benefits for the Hawaii economy, providing healthy seafood for local markets and export, generating jobs, complementing tourism, and maintaining rural communities.

Your Committee notes the concerns expressed by the Department of Agriculture that the insertion of commercial fishermen broadens the fund's stakeholder group beyond the Department of Agriculture's jurisdiction since pelagic fisheries are under the federal jurisdiction of the National Oceanic and Atmospheric Association's National Marine Fisheries Service and freshwater and recreational fishing are regulated at the Department of Land and Natural Resources' Division of Aquatic Resources. Additionally, the allowable expenditures of special fund monies are tailored to serve agricultural or aquacultural users other than commercial fisheries, which vastly differ in their respective operational needs and challenges.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 668 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Agriculture and
Environment,




MIKE GABBARD, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:* SB 668	Committee Referral: AEN, WAM	Date: 02/05/2021		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	✓			
NISHIHARA, Clarence K. (VC)	✓			
ACASIO, Laura		✓		
RHOADS, Karl	✓			
FEVELLA, Kurt	✓			
TOTAL	4	1		
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes