

Honolulu, Hawaii

MAR 22 2023

RE: H.B. No. 1383
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committees on Agriculture and Environment and Energy, Economic Development, and Tourism, to which was referred H.B. No. 1383, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

beg leave to report as follows:

The purpose and intent of this measure is to

- (1) Establish a task force to identify the top ten fruits or vegetables that are imported into the State and can also be commercially grown in the State; and
- (2) Create an income tax credit to incentivize the production of those fruits or vegetables to obviate the need to import them into the State.

Your Committees received testimony in support of this measure from the Department of Agriculture, Ulupono Initiative, Hawai'i Farmers Union United, Kanalani Ohana Farm, Food+ Policy Internship 2023, Hawai'i Farm Bureau, and five individuals. Your Committees received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committees find that the State is committed to reducing Hawaii's dependency on food imports by supporting local



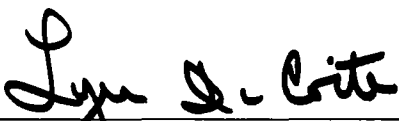
agriculture. Hawaii currently imports almost ninety percent of its food and requires significant investment, foresight, and planning to enhance food security in the State. Your Committees further find that it is beneficial for the State that a task force be established to determine what imported fruits and vegetables can be produced locally. Therefore, this measure establishes a task force to identify the top ten most imported fruits and vegetables and creates an income tax credit for farmers that seek to produce these foods, thus bolstering food security in the State.

Your Committees have amended this measure by:

- (1) Adding a representative from the Hawaii Farmers Union United to the Agricultural Import Replacement Task Force;
- (2) Adding representatives from each of the county's economic development departments to the Agricultural Import Replacement Task Force; and
- (3) 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 Agriculture and Environment and Energy, Economic Development, and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1383, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1383, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Agriculture and
Environment and Energy,
Economic Development, and
Tourism,



LYNN DECOITE, Chair



MIKE GABBARD, Chair



