STAND. COM. REP. NO. 1260

Honolulu, Hawaii

MAR 2 1 2025

RE: H.B. No. 1187 H.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-Third State Legislature Regular Session of 2025 State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred H.B. No. 1187, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to phase in a ban on state departments and administratively attached agencies from purchasing imported flowers and lei.

Your Committee received testimony in support of this measure from the State Procurement Office.

Your Committee received testimony in opposition to this measure from the Department of Budget and Fiscal Services of the City and County of Honolulu.

Your Committee finds that lei and flowers are economically and culturally significant in the State. Your Committee further finds that sourcing products locally enhances supply chain resilience, mitigates risks associated with external market disruptions, and contributes to the long-term economic stability of the State. This measure provides a structure for state departments and agencies to gradually transition to buying only local lei and flowers, thereby aligning state agencies' purchasing policies with sustainability goals while supporting local businesses.



STAND. COM. REP. NO. 1260 Page 2

Your Committee notes the concerns expressed in testimony and by its members about how this measure would be implemented, what the enforcement mechanisms would be, and how that material could be discerned. During the discussion, modeling this measure after the Stafford Act of 1988 was raised as a possible solution for this issue, insofar as creating a blanket prohibition against state agencies purchasing flowers and lei that are not substantially or wholly produced in Hawaii. Under such an amended version, the enforcement mechanism would be the representation of the vendor to the state agencies that their products conform to the "made in Hawaii" requirements and, if a violation were found, the vendor would be subject to potential civil and criminal penalties, as well as prohibitions from bidding or selling to the State in the future. Your Committee finds that such an approach would create clear quidelines for both state agencies and vendors and put the onus on the vendors to ensure that their products meet the new criteria. However, due to the time constraints of the legislative calendar, your Committee respectfully requests the Committee on Ways and Means, should they choose to deliberate on this measure, to consider replacing the contents with language that creates this State's version of the Stafford Act of 1988 for the purchase of flowers and lei. This would provide clear legal guidance to both vendors and state agencies on prohibitions against procuring flowers and lei produced outside of the State, while establishing a strong enforcement mechanism against vendors who misrepresent their products.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1187, H.D. 1, 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 Government Operations,

ANGUS L.K. MCKELVEY, Chair



The Senate Thirty-Third Legislature State of Hawaiʻi

Record of Votes Committee on Government Operations GVO

Bill / Resolution No.:*	Committee Referral:		D	Date: 3-18-25	
HB1187 HD1	GVO,V	VAM		3-18	-12
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
MCKELVEY, Angus L.K. (C)		V			
GABBARD, Mike (VC)		V	/	,	
MORIWAKI, Sharon Y.			V		
SAN BUENAVENTURA, Joy A.		V		•	
FEVELLA, Kurt			V		
					·
			· · · · · · · · · · · · · · · · · · ·		
TOTAL	1	2	2		
Recommendation:					
Chair's of Designed's Signature:					
Distribution Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only <u>one</u> measure per Record of Votes