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# A BILL FOR AN ACT

RELATING TO SUSTAINABLE AGRICULTURE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the use of cover  
2 crops, green manure, and compost increases agricultural  
3 productivity and aligns with the State's integrated  
4 sustainability goals. Plants used for this purpose, including  
5 grasses, legumes, and forbs, add nutrients to the soil, act as  
6 windbreaks, assist with water retention, provide habitats for  
7 beneficial insects, and help prevent soil erosion.

8           The legislature further finds that it is in the interest of  
9 the State to incentivize the use of management practices that  
10 enhance the quality and sustainability of Hawaii's agricultural  
11 lands.

12           The purpose of this Act is to clarify Act 312, Session Laws  
13 of Hawaii 2022, which established a cover crop reimbursement  
14 pilot program to reimburse farming operations in the State for  
15 the costs of acquiring cover crop seeds, green manure, or  
16 compost.



1 SECTION 2. Act 312, Session Laws of Hawaii 2022, section  
2 2, is amended as follows:

3 1. By amending subsection (b) to read:

4 "(b) Each application for cost reimbursement shall be  
5 submitted on a form furnished by the department of agriculture  
6 and shall be accompanied by documentation of the costs of items  
7 purchased, pursuant to subsection (c); provided that:

8 (1) The applicant shall indemnify and hold harmless the  
9 State and its officers, agents, and employees from all  
10 claims arising out of or resulting from the cover crop  
11 seeds, green manure, or compost purchased; [~~and~~]

12 (2) The department of agriculture may request the  
13 applicant to provide additional information for the  
14 purposes of verifying the volume of cover crop seeds,  
15 green manure, or compost purchased[~~-~~];

16 (3) Applications for grants shall be made to the  
17 department of agriculture and contain such information  
18 as the department of agriculture shall require. At a  
19 minimum, the applicant shall show:

20 (A) The name of the requesting entity or individual;

21 (B) The purpose for the grant;





1           (E) The applicant procures sufficient insurance to  
2           provide indemnification if requested to do so by  
3           the department of agriculture;

4           (5) To receive a grant, an applicant shall:

5           (A) Be:

6           (i) A for-profit entity incorporated under the  
7           laws of the State;

8           (ii) A nonprofit community-based organization  
9           determined to be exempt from federal income  
10           taxation by the Internal Revenue Service;

11           (iii) A cooperative association; or

12           (iv) An individual, who in the department of  
13           agriculture's determination, is able to  
14           provide the services or activities proposed  
15           in the application for a grant;

16           (B) In the case of a nonprofit organization, have a  
17           governing board whose members have no material  
18           conflict of interest and serve without  
19           compensation, have bylaws or policies that  
20           describe the manner in which business is  
21           conducted and policies relating to nepotism and



1                   management of potential conflict of interest  
2                   situations, and not employ or contract with two  
3                   or more members of a family or kin of the first  
4                   or second degree of consanguinity unless  
5                   specifically permitted by the department of  
6                   agriculture;

7                   (C) Agree to make available to the department of  
8                   agriculture all records the applicant may have  
9                   relating to the operation of the applicant's  
10                   activity, business, or enterprise to allow the  
11                   department of agriculture to monitor the  
12                   applicant's compliance with the purpose of this  
13                   program; and

14                   (D) Establish, to the satisfaction of the department  
15                   of agriculture, that sufficient funds are  
16                   available for the effective operation of the  
17                   activity, business, or enterprise for the purpose  
18                   for which the grant is awarded;

19                   (6) Every grant shall be:



1           (A) Monitored by the department of agriculture to  
2           ensure compliance with this program and the  
3           purposes and intent of the grant; and

4           (B) Evaluated annually to determine whether the grant  
5           attained the intended results in the manner  
6           contemplated; and

7           (7) Grants made by the department of agriculture under  
8           this Act may be made without regard to chapters 103D  
9           and 103F, Hawaii Revised Statutes."

10           2. By amending subsection (e) to read:

11           "(e) The department of agriculture shall convene a review  
12 panel to be placed within the department of agriculture  
13 comprising knowledgeable representatives from the department of  
14 agriculture, University of Hawaii at Manoa college of tropical  
15 agriculture and human resources, and industry organizations.  
16 The review panel shall screen and rate applicants on the quality  
17 and appropriate use of their cover crops and green manure and  
18 their composting practices. The department shall aggregate the  
19 total reimbursement applications pursuant to this section and  
20 distribute the available moneys based on a ranking scale as  
21 determined by the review panel; provided that a higher-ranked



1 applicant shall receive a higher rate of reimbursement than a  
2 lower-ranked applicant."

3 SECTION 3. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5 SECTION 4. This Act shall take effect on June 30, 3000.



**Report Title:**

Department of Agriculture; Cover Crop Reimbursement Pilot Program

**Description:**

Clarifies the requirements for the submission of applications and disbursement of grants under the Cover Crop Reimbursement Pilot Program. Effective 6/30/3000. (HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

