
HOUSE RESOLUTION

REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO PROVIDE AN ECONOMIC ANALYSIS OF THE IMPACT OF CHANGES TO HAWAII'S KONA COFFEE MINIMUM CONTENT LAWS, AND REQUESTING THE DEPARTMENT OF THE ATTORNEY GENERAL TO STUDY WAYS TO IMPROVE ENFORCEMENT OF THOSE LAWS.

1 WHEREAS, there is strong support for changing Hawaii's Kona
2 coffee minimum content laws, in particular, for increasing from
3 ten to at least fifty per cent the required percentage of Kona-
4 grown coffee that entitles a coffee to be called "Kona" coffee;
5 and
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7 WHEREAS, the Legislature is aware that support among
8 persons and entities within Hawaii's coffee industry for
9 increasing the minimum content requirement to fifty per cent is
10 not unanimous; and
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12 WHEREAS, the Legislature believes that in order to minimize
13 disruption in this important local industry, it is important to
14 proceed with caution, and only after obtaining important facts
15 on the possible economic impacts that such a change would have
16 on Kona coffee farmers, processors, retailers, and consumers,
17 not to mention upon other coffee growing regions in the State
18 such as Ka'u and Kauai; and
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20 WHEREAS, the statutory responsibilities of the Department
21 of Business, Economic Development, and Tourism include, among
22 others, to "provide economic research and analysis"; and
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24 WHEREAS, many in the Kona coffee industry have expressed
25 frustration at the apparent lack of enforcement of the minimum
26 content law, which is intended to protect the State's Kona
27 coffee industry; and
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29 WHEREAS, at least one national fast-food chain has
30 advertised that it serves "brisk Kona coffee", while other
31 retailers claim through outdoor signs and other advertising
32 media that they sell "Kona coffee"--under circumstances that



1 make it highly unlikely that the coffee being sold or served is
2 one hundred per cent Kona coffee; and
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4 WHEREAS, however, the Legislature is also not insensitive
5 to the fact that state laws, in order to be enforceable, cannot
6 run afoul of constitutional protections afforded to commercial
7 speech; now, therefore,
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9 BE IT RESOLVED by the House of Representatives of the
10 Twenty-fourth Legislature of the State of Hawaii, Regular Session
11 of 2007, Senate concurring, that the Department of Business,
12 Economic Development, and Tourism is requested to submit a
13 report to the Legislature on the coffee industry in Hawaii that
14 includes the following:
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- 16 (1) A description of the coffee industry in Hawaii, with
17 particular emphasis on the Kona coffee industry, and
18 the roles played by each segment of the industry, such
19 as the farmers, processors, retailers, and others;
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- 21 (2) A description of how the respective segments of the
22 Kona coffee have fared under the present law
23 establishing a minimum content requirement of ten per
24 cent in order for coffee to be called "Kona coffee";
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- 26 (3) A thorough economic analysis of the probable impact of
27 increasing the minimum content requirement to fifty
28 per cent upon:
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- 30 (A) Each segment of the Kona coffee industry; and
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- 32 (B) Each segment of the coffee industry in the rest
33 of the State, such as in Ka'u and on islands
34 other than the island of Hawaii; and
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36 BE IT FURTHER RESOLVED that the Department of the Attorney
37 General is requested to review existing statutes and rules
38 relating to the enforcement of the Kona coffee minimum content
39 requirements, including present enforcement programs and efforts
40 presently carried out by the Department of Agriculture; and
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42 BE IT FURTHER RESOLVED that the Department of the Attorney
43 General is requested to report to the Legislature on:
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- 1 (1) Identifying all statutes and rules that can presently
2 be applied to address the enforcement of violations of
3 the Kona coffee minimum content requirements,
4 including claims made in labeling, and advertising
5 claims in both local and national media;
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- 7 (2) Modifications that can be made to criminal or civil
8 enforcement statutes in terms of promoting ease of
9 enforcement and effectiveness of deterrence against
10 violations of the State's Kona coffee laws;
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- 12 (3) Specific provisions and procedures, if any, that need
13 to be enacted to enable the State or aggrieved persons
14 to take action against persons or entities who make
15 advertising claims in local or national media that
16 violate Kona coffee minimum content requirements;
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- 18 (4) Other recommendations in terms of personnel or other
19 resources needed by the Department of Agriculture and
20 other appropriate state agencies in order to more
21 aggressively and effectively enforce Kona coffee
22 minimum content requirements; and
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24 BE IT FURTHER RESOLVED that, upon request, the Department
25 of Agriculture is requested to cooperate with and assist the
26 Department of Business, Economic Development, and Tourism and
27 the Department of the Attorney General, as necessary, in their
28 response to this Resolution in conducting their studies; and
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30 BE IT FURTHER RESOLVED that the Department of Business,
31 Economic Development, and Tourism and the Department of the
32 Attorney General are requested to seek input from as many
33 stakeholders as possible; and
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35 BE IT FURTHER RESOLVED that the Department of Business,
36 Economic Development, and Tourism and the Department of the
37 Attorney General are requested to submit separate reports of
38 their findings, recommendations, and any proposed legislation to
39 the Legislature not later than twenty days prior to the
40 convening of the Regular Session of 2008; and
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42 BE IT FURTHER RESOLVED that certified copies of this
43 Concurrent Resolution be transmitted to the Governor, the
44 Director of Business, Economic Development, and Tourism, the



