
A BILL FOR AN ACT

RELATING TO THE MILK CONTROL.

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

1 SECTION 1. The legislature finds that the milk industry is
2 of such importance to the economy of the State that it is in the
3 public interest to safeguard and protect this industry. Milk
4 provides an irreplaceable nutritional and dietary mainstay and
5 is essential for the welfare and long-term benefit of the
6 residents of the State, especially children and senior citizens.
7 While the State's milk industry is privately owned and operated,
8 the role of an impartial governmental agency is necessary to
9 regulate, oversee, and referee the interaction between
10 producers, processors, and if necessary, the retailers and
11 distributors. Before the implementation of legislation to
12 protect the State's milk industry, it struggled through years of
13 turmoil and instability, culminating in a period of hostility
14 between milk processors and producers that is often referred to
15 as the "Milk Wars of the 60s".

16 The purpose of this Act is to strengthen the milk industry
17 in the State by establishing a minimum reserve requirement in
18 the milk control special fund that provides funding to cover all



1 the costs of administering the State's Milk Control Act and
2 specifying audits as a contingency cost covered by the minimum
3 reserve.

4 SECTION 2. Section 157-29, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "[~~§~~157-29~~§~~] **Milk control special fund.** There is
7 established the milk control special fund to be administered by
8 the board of agriculture. All moneys received by the board of
9 agriculture as application fees and for licenses or otherwise
10 under this chapter, and any state appropriations or other moneys
11 made available to carry out the purposes of this chapter, shall
12 be deposited into the special fund. All interest earned or
13 accrued on moneys deposited in the special fund shall become
14 part of the special fund. Moneys in the special fund shall be
15 expended to cover all costs of administering this chapter
16 including but not limited to the costs of salaries, fringe
17 benefits, operating expenses, equipment, motor vehicles,
18 contracts for services, and promotional expenses. Moneys in the
19 special fund may be transferred to the general fund for salaries
20 and fringe benefits of other state employees assisting in
21 administering this chapter and other related costs. A reserve
22 in an amount of not less than \$300,000 shall be maintained in



1 the special fund to cover contingency costs including but not
 2 limited to accrued vacation leave, audits, unemployment
 3 insurance, and workers' compensation."

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

6 SECTION 4. This Act shall take effect on July 1, 2014.

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INTRODUCED BY: *R. D. K. Q. Q.*

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JAN 17 2014

H.B. NO. 2009

Report Title:

Milk Control Special Fund; Milk Control Act

Description:

Establishes a \$300,000 minimum reserve requirement in the Milk Control Special Fund to cover contingency costs in the administration of the State's Milk Control Act. Specifically includes audits as a contingency cost. Effective July 1, 2014.

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