

JAN 25 2017

A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1 SECTION 1. Chapter 141, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§141- Reimbursement transportation cost payment
5 program. (a) There is established within the department of
6 agriculture a reimbursement transportation cost payment program
7 to reimburse eligible producers for a portion of the cost to
8 transport eligible commodities or inputs used to produce an
9 eligible commodity.

10 (b) To be eligible to receive reimbursement payments under
11 the program, eligible producers shall:

12 (1) Submit an application to the department during a
13 specified period to be determined by the department
14 for each fiscal year;

15 (2) Provide proof of the amount of costs incurred for the
16 transportation of the eligible commodity or input,



1 pursuant to subsection (d), in a form to be determined
2 by the department;

3 (3) Comply with all conservation and wetland protection
4 requirements on all their land;

5 (4) Have an average non-agriculture related income of
6 \$900,000 or less; and

7 (5) Be a resident.

8 (c) Reimbursement of transportation cost payments under
9 the program shall be calculated based on the amount of costs
10 incurred by an eligible producer for transportation of an
11 eligible commodity or input used to produce an eligible
12 commodity during a fiscal year and multiplied by the applicable
13 percentage of cost-of-living allowance for the applicable fiscal
14 year.

15 (d) Eligible producers shall submit their costs for
16 transportation for calculating reimbursement payments pursuant
17 to subsection (c) based on one of the following:

18 (1) The actual transportation costs incurred by the
19 eligible producer as demonstrated by verifiable
20 records; provided that no other type of transportation



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1 rate provided under this subsection shall be permitted
2 for the same reimbursement request;

3 (2) A fixed rate as established by the department which
4 reflects transportation rates applicable to certain
5 eligible commodities or inputs used to produce the
6 eligible commodity; or

7 (3) A set rate established by the department which
8 reflects a per cent of the total cost used to
9 represent the transportation cost incurred; provided
10 that this rate will only be used if the inputs do not
11 have an established fixed rate or if a breakdown of
12 the transportation costs is not available.

13 (e) Reimbursements shall be disbursed upon approval by the
14 department to each eligible producer based on an amount
15 calculated pursuant to subsection (c).

16 (f) The department shall begin accepting applications
17 beginning on July 1, 2019.

18 (g) For purposes of this section:

19 "Department" means the department of agriculture.

20 "Eligible commodity" shall consist of any of the following:

21 (1) Aquaculture;



- 1 (2) Feed;
- 2 (3) Fiber;
- 3 (4) Floriculture;
- 4 (5) Horticulture, including trees;
- 5 (6) Insects or products thereof; and
- 6 (7) Livestock, including elk, reindeer, bison, horses, and
- 7 deer.

8 "Eligible producers" means farmers and ranchers from all
9 islands of the State, except Oahu, who ship their goods to Oahu
10 or farmers and ranchers from any island of the State who export
11 their eligible commodities out of the State; provided that
12 commercial fisherman shall not be eligible producers."

13 SECTION 2. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$ or so
15 much thereof as may be necessary for fiscal year 2017-2018 and
16 the same sum or so much thereof as may be necessary for fiscal
17 year 2018-2019 for the department of agriculture to issue
18 reimbursements under the reimbursement transportation cost
19 program.

20 The sums appropriated shall be expended by the department
21 of agriculture for the purposes of this Act.



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SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2017.

INTRODUCED BY:

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Report Title:

Reimbursement Transportation Cost Payment Program; Department of Agriculture; Appropriation

Description:

Establishes a reimbursement transportation cost payment program within the DOA for geographically disadvantaged farmers and ranchers to reimburse eligible producers with a portion of the cost to transport eligible commodities or inputs used to produce an eligible commodity. Appropriates funds to the DOA for the program.

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