

1 SECTION 3. There is appropriated out of the general
 2 revenues of the State of Hawaii the sum of \$ or so
 3 much thereof as may be necessary for fiscal year 2021-2022 for
 4 the department of agriculture to apply to register a
 5 geographical indication mark on behalf of coffee farmers as
 6 provided in section 2 of this Act; provided that the State's
 7 general fund shall be reimbursed for the amount appropriated in
 8 this section as provided in section 4 of this Act.

9 The sum appropriated shall be expended by the department of
 10 agriculture for the purposes of this Act.

11 PART III

12 SECTION 4. Chapter 237, Hawaii Revised Statutes, is
 13 amended by adding a new section to be appropriately designated
 14 and to read as follows:

15 "§237- Kona coffee farmers; surcharge to reimburse
 16 state funds. (a) In addition to the tax imposed by section
 17 237-13 or any other provision in this chapter, there is levied
 18 and shall be assessed and collected a Kona coffee surcharge
 19 equivalent to per cent of the gross proceeds of the sale
 20 of cherry coffee, parchment coffee, or green coffee beans grown
 21 in the Kona district of the island of Hawaii.



1 (b) With respect to the surcharge established by this
2 section, all provisions of this chapter shall apply and the
3 director of taxation shall have all the rights and powers
4 provided under this chapter.

5 (c) The director of taxation shall revise the general
6 excise tax forms to provide for the clear and separate
7 designation of the imposition and payment of the surcharge
8 established by this section.

9 (d) The director of taxation shall begin to collect the
10 surcharge authorized by this section beginning January 1, 2022,
11 and shall continue to collect the surcharge until the close of
12 the taxable year in which the director of finance certifies to
13 the department of taxation that enough revenue has been
14 collected pursuant to the surcharge authorized by this section
15 to reimburse all moneys appropriated from the general fund by
16 section 3 of Act , Session Laws of Hawaii 2021, plus interest
17 at the rate of two per cent per year, compounded monthly.

18 (e) As used in this section:

19 "Cherry coffee" means an agricultural commodity comprising
20 the unprocessed fruit of a coffee plant.



- 1 (2) Use a geographic origin in labeling or advertising,
2 including in conjunction with a coffee style or in any
3 other manner, if the roasted or instant coffee
4 contains less than [~~ten~~] fifteen per cent coffee by
5 weight from that geographic origin;
- 6 (3) Use a geographic origin in advertising roasted or
7 instant coffee, including advertising in conjunction
8 with a coffee style or in any other manner, without
9 disclosing the percentage of coffee used from that
10 geographic origin as described in subsection (a)(1)(B)
11 and (a)(2);
- 12 (4) Use a geographic origin in labeling or advertising
13 roasted or instant coffee, including in conjunction
14 with a coffee style or in any other manner, if the
15 green coffee beans used in that roasted or instant
16 coffee do not meet the grade standard requirements of
17 rules adopted under chapter 147;
- 18 (5) Misrepresent, on a label or in advertising of a
19 roasted or instant coffee, the per cent coffee by
20 weight of any coffee from a geographic origin or
21 regional origin;



- 1 (6) Use the term "All Hawaiian" on a label or in
2 advertising of a roasted or instant coffee if the
3 roasted or instant coffee is not produced entirely
4 from green coffee beans produced in geographic origins
5 defined in this chapter;
- 6 (7) Use a geographic origin on the front label panel of a
7 package of roasted or instant coffee other than in the
8 trademark or in the identity statement as authorized
9 in subsection (a)(1) and (2) unless one hundred per
10 cent of the roasted or instant coffee contained in the
11 package is from that geographic origin;
- 12 (8) Use more than one trademark on a package of roasted or
13 instant coffee unless one hundred per cent of the
14 roasted or instant coffee contained in the package is
15 from that geographic origin specified by the
16 trademark;
- 17 (9) Use a trademark that begins with the name of a
18 geographic origin on a package of roasted or instant
19 coffee unless one hundred per cent of the roasted or
20 instant coffee contained in the package comes from



1 that geographic origin or the trademark ends with
2 words that indicate a business entity; [✕]

3 (10) Use the term "Kona Coffee Blend" in a manner that
4 violates federal law if that term is registered as a
5 geographical indication or other certification mark
6 with the United States Patent and Trademark Office; or

7 (11) Print the identity statement required by subsection
8 (a) in a smaller font than that used for a trademark
9 that includes the name of a geographic origin pursuant
10 to paragraph (7) and in a location other than the
11 front label panel of a package of roasted or instant
12 coffee."

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

14 "(e) For the purpose of this section:

15 "Certification mark" has the same meaning as contained in
16 title 15 United States Code section 1127.

17 "Geographical indication" means a geographical indication
18 as defined in the Agreement on Trade-Related Aspects of
19 Intellectual Property Rights (TRIPS), Annex 1C of the Marrakesh
20 Agreement Establishing the World Trade Organization.



1 "Geographic origin" means the geographic regions in which
 2 Hawaii-grown green coffee beans are produced, as defined in
 3 rules adopted under chapter 147; provided that the term
 4 "Hawaiian" may be substituted for the geographic origin
 5 "Hawaii".

6 "Per cent coffee by weight" means the percentage calculated
 7 by dividing the weight in pounds of roasted green coffee beans
 8 of one geographic or regional origin used in a production run of
 9 roasted or instant coffee, by the total weight in pounds of the
 10 roasted green coffee beans used in that production run of
 11 roasted or instant coffee, and multiplying the quotient by one
 12 hundred."

PART V

14 SECTION 6. Statutory material to be repealed is bracketed
 15 and stricken. New statutory material is underscored.

16 SECTION 7. This Act shall take effect on July 1, 2021.

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INTRODUCED BY: TBL M... H

JAN 26 2021



H.B. NO. 1155

Report Title:

HDOA; B&F; Taxation; Intellectual Property; Kona Coffee Blend;
Geographical Indication; General Excise Tax; Appropriation

Description:

Requires and appropriates funds to the department of agriculture to apply to register the term "Kona Coffee Blend" as a geographical indication or a similar intellectual property registration with the United States Patent and Trademark Office. Establishes a surcharge on the sale of certain coffee commodities to reimburse the general funds appropriated. Requires a roasted coffee or instant coffee to contain at least fifteen per cent coffee by weight from a geographic origin to use that geographic origin in labeling or advertising.

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