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# A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1 PART I

2 SECTION 1. Chapter 150A, Hawaii Revised Statutes, is  
3 amended by adding two new sections to be appropriately  
4 designated and to read as follows:

5 "§150A- Agricultural imports and inspections.

6 Notwithstanding any law to the contrary, the State shall  
7 regulate all agricultural imports and inspections.

8 §150A- Air cargo pest inspection, quarantine, and  
9 eradication fund. (a) There is established in the state  
10 treasury the air cargo pest inspection, quarantine, and  
11 eradication fund, into which shall be deposited:

12 (1) Legislative appropriations for air cargo biosecurity  
13 and inspection, quarantine, and eradication purposes;

14 (2) All interest earned or accrued on moneys deposited in  
15 the fund; and

16 (3) Any other moneys made available to the fund.





1 (b) The following moneys shall be deposited into the  
2 special fund:

3 (1) The portion of the environmental response, energy, and  
4 food security tax specified under section 243-3.5;

5 (2) Any appropriation by the legislature into the special  
6 fund;

7 (3) Any grant or donation made to the special fund; and

8 (4) Any interest earned on the balance of the special  
9 fund.

10 (c) Subject to legislative appropriation, moneys in the  
11 special fund may be expended for the following purposes:

12 (1) The awarding of grants to farmers or commercial  
13 fishers for [~~agricultural~~] land-, aquaculture-,  
14 freshwater-, or sea-based food production or  
15 processing activity;

16 (2) The acquisition of real property for [~~agricultural~~]  
17 land-, aquaculture-, freshwater-, or sea-based food  
18 production or processing activity;

19 (3) The improvement of real property, dams, reservoirs,  
20 irrigation systems, and transportation networks  
21 necessary to promote [~~agricultural~~] land-,



- 1           aquaculture-, freshwater-, or sea-based food  
2           production or processing activity, including  
3           investigative studies to identify and assess necessary  
4           improvements to dams, reservoirs, irrigation systems,  
5           and transportation networks;
- 6           (4) The purchase of equipment necessary for [~~agricultural~~]  
7           land-, aquaculture-, freshwater-, or sea-based food  
8           production or processing activity; provided that boat  
9           sizes shall be forty feet or less;
- 10          (5) The conduct of research on and testing of  
11          [~~agricultural~~] land-, aquaculture-, freshwater-, or  
12          sea-based food products and markets;
- 13          (6) The funding of agricultural inspector positions within  
14          the department of agriculture;
- 15          (7) The promotion and marketing of agricultural products  
16          grown or raised in the State;
- 17          (8) Water quality testing and improvement; and
- 18          (9) Any other activity intended to increase [~~agricultural~~]  
19          land-, aquaculture-, freshwater-, or sea-based food  
20          production or processing that may lead to reduced



1 importation of food, fodder, or feed from outside the  
2 State.

3 (d) The department of agriculture shall submit a report to  
4 the legislature no later than twenty days prior to the convening  
5 of each regular session on the status and progress of existing  
6 programs and activities and the status of new programs and  
7 activities funded under the [~~agricultural~~] land-, aquaculture-,  
8 freshwater-, or sea-based food development and food security  
9 special fund. The report shall also include:

- 10 (1) The spending plan of the [~~agricultural~~] land-,  
11 aquaculture-, freshwater-, or sea-based food  
12 development and food security special fund;
- 13 (2) All expenditures of [~~agricultural~~] land-,  
14 aquaculture-, freshwater-, or sea-based food  
15 development and food security special fund moneys;
- 16 (3) The targeted markets of the expenditures, including  
17 the reason for selecting those markets;
- 18 (4) The persons to be served using the expenditures; and
- 19 (5) The specific objectives of the expenditures, including  
20 measurable outcomes."



1 SECTION 4. Section 145-38, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "[~~f~~]**\$145-38**[~~}]~~ **Civil penalty.** Any person who violates any  
4 provision of this part or rule adopted pursuant to  
5 section 145-39 shall be subject to a civil penalty in an amount  
6 not to exceed \$1,000 per violation. In determining the amount  
7 of any civil penalty, the board of agriculture shall give due  
8 consideration to:

- 9 (1) The history of the person's previous violations;
- 10 (2) The seriousness of the violation; and
- 11 (3) The demonstrated good faith of the person charged in  
12 attempting to achieve compliance with this part after  
13 being notified of the violation.

14 The penalty shall be collected by the department, and the  
15 proceeds shall be deposited into the [~~agricultural~~] land-,  
16 aquaculture-, freshwater-, or sea-based food development and  
17 food security special fund established pursuant to  
18 section 141-10."

19 SECTION 5. Section 243-3.5, Hawaii Revised Statutes, is  
20 amended by amending subsections (a) and (b) to read as follows:



1           "(a) In addition to any other taxes provided by law,  
2 subject to the exemptions set forth in section 243-7, there is  
3 hereby imposed a state environmental response, energy, and food  
4 security tax on each barrel or fractional part of a barrel of  
5 petroleum product sold by a distributor to any retail dealer or  
6 end user of petroleum product, other than a refiner. The tax  
7 shall be \$1.05 on each barrel or fractional part of a barrel of  
8 petroleum product that is not aviation fuel; provided that of  
9 the tax collected pursuant to this subsection:

- 10           (1) 5 cents of the tax on each barrel shall be deposited  
11           into the environmental response revolving fund  
12           established under section 128D-2;
- 13           (2) 5 cents of the tax on each barrel shall be deposited  
14           into the energy security special fund established  
15           under section 201-12.8;
- 16           (3) 10 cents of the tax on each barrel shall be deposited  
17           into the energy systems development special fund  
18           established under section 304A-2169.1; and
- 19           (4) 15 cents of the tax on each barrel shall be deposited  
20           into the ~~[agricultural]~~ land-, aquaculture-,  
21           freshwater-, or sea-based food development and food



1 security special fund established under  
2 section 141-10.

3 The tax imposed by this subsection shall be paid by the  
4 distributor of the petroleum product.

5 (b) In addition to subsection (a), the tax shall also be  
6 imposed on each one million British thermal units of fossil fuel  
7 sold by a distributor to any retail dealer or end user, other  
8 than a refiner, of fossil fuel. The tax shall be 19 cents on  
9 each one million British thermal units of fossil fuel; provided  
10 that of the tax collected pursuant to this subsection:

11 (1) 4.8 per cent of the tax on each one million British  
12 thermal units shall be deposited into the  
13 environmental response revolving fund established  
14 under section 128D-2;

15 (2) 14.3 per cent of the tax on each one million British  
16 thermal units shall be deposited into the energy  
17 security special fund established under  
18 section 201-12.8;

19 (3) 9.5 per cent of the tax on each one million British  
20 thermal units shall be deposited into the energy



1 systems development special fund established under  
2 section 304A-2169.1; and  
3 (4) 14.3 per cent of the tax on each one million British  
4 thermal units shall be deposited into the  
5 [~~agricultural~~] land-, aquaculture-, freshwater-, or  
6 sea-based food development and food security special  
7 fund established under section 141-10.

8 The tax imposed by this subsection shall be paid by the  
9 distributor of the fossil fuel."

10 PART III

11 SECTION 6. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

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



**Report Title:**

Department of Agriculture; Pest Inspection, Quarantine, and Eradication of Invasive Species in Air Cargo; Special Fund; Land-, Aquaculture-, Freshwater-, or Sea-Based Food Development and Food Security Special Fund

**Description:**

Part I: Requires the State to regulate all agricultural imports and inspections. Establishes the air cargo pest inspection, quarantine, and eradication fund. Part II: Renames the agricultural development and food security special fund as the land-, aquaculture-, freshwater-, or sea-based food development and food security special fund and expands the scope of the special fund to include land-, aquaculture-, freshwater-, or sea-based food production. (HD1)

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