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# A BILL FOR AN ACT

RELATING TO SUSTAINABLE AGRICULTURE.

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

1           SECTION 1. The legislature finds that the use of cover  
2 crops increases agricultural productivity and aligns with the  
3 State's integrated sustainability goals. Plants used for this  
4 purpose, including grasses, legumes, and forbs, add nutrients to  
5 the soil, act as windbreaks, assist with water retention,  
6 provide habitats for beneficial insects, offset greenhouse gas  
7 emissions through carbon sequestration, and help to prevent soil  
8 erosion.

9           The legislature further finds that it is in the best  
10 interests of the State to incentivize the use of management  
11 practices that enhance the quality and sustainability of  
12 Hawaii's agricultural lands.

13           Accordingly, the purpose of this Act is to establish and  
14 appropriate moneys for a cover crop reimbursement pilot program  
15 to reimburse farming operations in the State for the costs of  
16 cover cropping.



1           SECTION 2. (a) The department of agriculture shall  
2 establish and implement a three-year cover crop reimbursement  
3 pilot program to reimburse farming operations in the State for  
4 the costs of cover cropping.

5           (b) Applications for cost reimbursements shall be  
6 submitted on a form furnished by the department of agriculture  
7 and shall be accompanied by documentation of the costs incurred,  
8 pursuant to subsection (c); provided that:

9           (1) The applicant shall indemnify and hold harmless the  
10 State and its officers, agents, and employees from all  
11 claims arising out of or resulting from cover  
12 cropping; and

13           (2) The department may request that an applicant provide  
14 additional information for the purposes of verifying  
15 the costs claimed are directly related to cover  
16 cropping.

17           (c) Applications for reimbursement under the cover crop  
18 reimbursement pilot program shall be filed for costs incurred  
19 within the fiscal year immediately preceding the filing and be  
20 effective for the costs of cover cropping incurred after  
21 June 30, 2022, and before July 1, 2025. The documentation shall



1 include a certification that the amount for which the applicant  
2 seeks reimbursement is not already covered by other governmental  
3 cover crop incentive programs, including the Natural Resources  
4 Conservation Service's environmental quality incentive payment  
5 program or the conservation stewardship program.

6 (d) Reimbursement for cover cropping costs incurred after  
7 June 30, 2022, and before July 1, 2025, shall be as follows:

8 (1) For a single-species cover crop, the farmer or rancher  
9 shall be reimbursed \$ multiplied by the  
10 number of acres upon which the cover crop is planted;  
11 or

12 (2) For a multi-species cover crop, the farmer or rancher  
13 shall be reimbursed \$ multiplied by the  
14 number of acres upon which the cover crop is planted.

15 (e) Funds shall be disbursed by the department to the  
16 farmer or rancher based on the 2017 National Agricultural  
17 Statistics Service typology of farm size as follows:

18 (1) Sixty-three per cent to farms and ranches of up to ten  
19 acres;

20 (2) Twenty-seven per cent to farms and ranches of ten  
21 acres and up to fifty acres;



1 (3) Six per cent to farms and ranches of fifty acres and  
2 up to one hundred eighty acres;

3 (4) Two per cent to farms and ranches of one hundred  
4 eighty acres and up to five hundred acres;

5 (5) One per cent to farms and ranches of five hundred  
6 acres and up to one thousand acres; and

7 (6) One per cent to farms and ranches of one thousand or  
8 more acres.

9 (f) The department shall aggregate the total reimbursement  
10 applications pursuant to this section and divide and distribute  
11 the available moneys on a first come, first served basis;  
12 provided that no farming operation shall receive a total  
13 reimbursement of more than \$ per year.

14 (g) There is established within the department a cover  
15 crop reimbursement pilot program manager position, which shall  
16 be a full-time temporary position exempt from chapters 76 and  
17 89, Hawaii Revised Statutes. The cover crop reimbursement pilot  
18 program manager shall receive a salary not to exceed \$50,000 per  
19 year. The cover crop reimbursement pilot program manager shall  
20 possess a requisite level of knowledge and expertise in the area  
21 of program management necessary to carry out the duties of the



1 position. The cover crop pilot reimbursement program manager  
2 shall:

3 (1) Facilitate the division and distribution of available  
4 moneys for reimbursement; and

5 (2) Manage the day-to-day coordination of the cover crop  
6 reimbursement pilot program.

7 (h) Any action taken by the department pursuant to this  
8 section shall be exempt from the rulemaking requirements of  
9 chapter 91, Hawaii Revised Statutes.

10 (i) The department shall submit a report on the cover crop  
11 pilot reimbursement program to the legislature no later than  
12 twenty days prior to the convening of the regular sessions of  
13 2023, 2024, and 2025. The report shall include:

14 (1) The number of acres of land upon which cover crops are  
15 grown under the pilot program;

16 (2) The total amount spent by the pilot program, broken  
17 down by category; and

18 (3) The department's recommendation on whether the pilot  
19 program should be extended, with or without  
20 modifications.

21 (j) As used in this section:



1 "Cover crop" means the plants listed in the cover crop  
2 database maintained by the University of Hawaii college of  
3 tropical agriculture and human resources.

4 "Department" means the department of agriculture.

5 "Farming operation" has the same meaning as in section  
6 165-2, Hawaii Revised Statutes.

7 SECTION 3. There is appropriated out of the general  
8 revenues of the State of Hawaii the sum of \$ or so  
9 much thereof as may be necessary for fiscal year 2022-2023 for  
10 the department of agriculture to establish, implement, and  
11 administer a cover crop reimbursement pilot program; provided  
12 that up to \$20,000 may be used for administrative costs.

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

15 SECTION 4. This Act shall take effect on July 1, 2022.

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INTRODUCED BY: Amy Pennao  
JAN 18 2022



# H.B. NO. 1527

**Report Title:**

Sustainable Agriculture; Cover Crops; Cover Crop Reimbursement Pilot Program; Appropriation

**Description:**

Establishes a three-year cover crop reimbursement pilot program to provide reimbursement to farming operations in the State for costs related to cover cropping. Establishes a cover crop reimbursement pilot program manager position within the department of agriculture to administer the program. Requires an annual report to the legislature. Appropriates funds.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

