

JAN 20 2023

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# A BILL FOR AN ACT

RELATING TO COFFEE PEST CONTROL.

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

1           SECTION 1. The legislature finds that coffee is one of the  
2 largest agricultural crops in the State and is a highly valued  
3 commodity in Hawai'i's economy. In recent years, the coffee  
4 berry borer, a small beetle, has infested coffee crops in the  
5 Kona and Ka'u regions of Hawai'i Island, and more recently has  
6 been detected on O'ahu, Maui, Kaua'i, and Lana'i. In 2020, coffee  
7 leaf rust was discovered for the first time in the State on Maui  
8 and Hawai'i island. These two pests threaten the viability of  
9 the State's entire coffee industry. Efforts to control coffee  
10 berry borer and coffee leaf rust, including the use of U.S. Food  
11 & Drug Administration-approved pesticides, are critical to the  
12 local coffee industry, and it is incumbent upon the State to  
13 continue to support these efforts.

14           The legislature further finds that in response to these  
15 threats to the industry, the coffee berry borer pesticide  
16 subsidy program was established by Act 105, Session Laws of  
17 Hawaii 2014 (Act 105), to assist Hawai'i coffee farmers with the



1 cost of pesticides containing the fungus, *Beauveria bassiana*,  
2 which is known to control coffee berry borer. Due to a longer  
3 than anticipated implementation of Act 105, in 2017, the  
4 legislature extended the pesticide subsidy program from its  
5 original sunset date of June 30, 2019, to June 30, 2021, via Act  
6 65, Session Laws of Hawaii 2017 (Act 65). After continued  
7 programmatic success and the initial discovery of coffee leaf  
8 rust in the islands, in 2021, the legislature extended the  
9 pesticide subsidy program for another two years, adding a  
10 subsidy for coffee leaf rust pesticides.

11 As of December 9, 2022, the department of agriculture has  
12 received nine hundred eighty receipts for reimbursement under  
13 the coffee berry borer pesticide subsidy program, expending a  
14 total of \$812,319.99 for the mitigation of coffee berry borer  
15 and coffee leaf rust throughout the State. The legislature  
16 finds that, as illustrated by program demand, coffee berry borer  
17 and coffee leaf rust continue to pose a severe threat to the  
18 state's coffee industry, and it is incumbent upon the State to  
19 continue supporting farmer's mitigative efforts, including  
20 through reducing the financial burden of having to purchase  
21 certain pesticides at market value.



1           Accordingly, the purpose of this Act is to:

2           (1)   Extend the pesticide subsidy program to June 30, 2025;

3           (2)   Extend the pesticide subsidy manager position,  
4           including the position's exemptions from civil service  
5           and collective bargaining laws, until June 30, 2026;  
6           and

7           (3)   Appropriate funds for the program and program manager  
8           position.

9           SECTION 2.   Act 105, Session Laws of Hawaii 2014, as  
10          amended by section 1 of Act 152, Session Laws of Hawaii 2015, as  
11          amended by section 2 of Act 65, Session Laws of Hawaii 2017, as  
12          amended by section 2 of Act 32, Session Laws of Hawaii 2018, as  
13          amended by section 43 of Act 111, Session Laws of Hawaii 2019,  
14          as amended by section 2 of Act 138, Session Laws of Hawaii 2021,  
15          is amended as follows:

16                1.   By amending subsection (a) of section 3 to read:

17                "(a)   There is established in the department of agriculture  
18                a pesticide subsidy program to be administered by the department  
19                beginning on July 1, 2014, and ending on June 30, [~~2023-~~] 2025.

20                The department shall grant subsidies to coffee growers to assist  
21                the coffee growers in offsetting the costs of purchasing any



1 pesticide that is listed by the department pursuant to  
2 subsection (f)."

3 2. By amending subsections (c) through (e) of section 3 to  
4 read:

5 "(c) Documentation of pesticide costs, as requested by the  
6 department, shall be filed for pesticides purchased within the  
7 immediately preceding fiscal year of filing and shall be  
8 effective for pesticide costs incurred after June 30, 2014, and  
9 before July 1, [~~2023-~~] 2025.

10 (d) Funds shall be disbursed upon approval on an annual  
11 basis by the department to the coffee grower for up to:

12 (1) [~~seventy-five~~] Seventy-five per cent of the costs  
13 incurred for the purchase of the pesticide before  
14 July 1, 2016 [~~, and for up to fifty~~];

15 (2) Fifty per cent of the costs incurred for the period  
16 beginning after June 30, 2016, and before July 1,  
17 2023 [~~-~~]; and

18 (3) Seventy-five per cent of the costs incurred for the  
19 period beginning July 1, 2023, through June 30, 2025.

20 (e) The department shall aggregate the total subsidy  
21 applications pursuant to this section and divide and distribute



1 the available subsidy funds on a pro rata basis; provided that  
2 no single coffee grower shall receive subsidies that are more  
3 than \$600 per year for coffee berry borer control and more than  
4 \$600 per year for coffee leaf rust control per acre of land in  
5 coffee production; provided further that no single coffee grower  
6 shall receive subsidies that are more than \$9,000 per year;  
7 provided further that no single coffee grower shall receive  
8 subsidies that total more than \$6,000 per year for the period  
9 after June 30, 2018, and before July 1, 2021; provided further  
10 that no single coffee grower shall receive subsidies that total  
11 more than \$12,000 per year for the period after June 30, 2021,  
12 and before July 1, [~~2023-~~] 2025."

13 3. By amending subsections (g) and (h) of section 3 to  
14 read:

15 "(g) There is established within the department a  
16 pesticide subsidy program manager position, which shall be a  
17 full-time, temporary position exempt from chapters 76 and 89,  
18 Hawaii Revised Statutes. The pesticide subsidy program manager  
19 shall possess a requisite level of knowledge and expertise in  
20 the area of program management necessary to carry out the duties  
21 of the position. The pesticide subsidy program manager shall:



- 1           (1) Facilitate the efficient division and distribution of
- 2                   available subsidy funds; and
- 3           (2) Manage the day-to-day coordination for the pesticide
- 4                   subsidy program.

5           The pesticide subsidy program manager shall receive a

6 salary of not more than \$50,000 per year. The pesticide subsidy

7 program manager position, including the position's exemption

8 from chapters 76 and 89, Hawaii Revised Statutes, shall expire

9 on June 30, [~~2024~~] 2026.

10           (h) Not later than twenty days prior to the convening of

11 the regular session of [~~2023~~] 2025, the department shall submit

12 a report of its findings and recommendations, including any

13 proposed legislation, to the legislature on the results of the

14 subsidy program and whether the program should be allowed to

15 expire or be extended, and if extended, with or without

16 modification."

17           4. By amending section 6 to read:

18           "SECTION 6. This Act shall take effect on July 1, 2014;

19 provided that:



1 (1) Section 3 shall be repealed on June 30, [~~2023,~~] 2025,  
2 except that section 3(g) shall be repealed on June 30,  
3 [~~2024,~~] 2026; and

4 (2) The amendment made to section 149A-13.5(b), Hawaii  
5 Revised Statutes, under section 2 of this Act shall  
6 not be repealed when section 149A-13.5(b), Hawaii  
7 Revised Statutes, is repealed and reenacted on  
8 June 30, 2015, by section 4 of Act 168, Session Laws  
9 of Hawaii 2010."

10 SECTION 3. There is appropriated out of the general  
11 revenues of the State of Hawaii the sum of \$150,000 or so much  
12 thereof as may be necessary for fiscal year 2023-2024 and the  
13 same sum or so much thereof as may be necessary for fiscal year  
14 2024-2025 to be deposited into the pesticide use revolving fund  
15 established under section 149A-13.5, Hawaii Revised Statutes.

16 SECTION 4. There is appropriated out of the pesticide use  
17 revolving fund the sum of \$150,000 or so much thereof as may be  
18 necessary for fiscal year 2023-2024 and the same sum or so much  
19 thereof as may be necessary for fiscal year 2024-2025 for the  
20 operation and implementation of the pesticide subsidy program.



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

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

5           SECTION 6. This Act shall take effect on June 14, 2023;  
6 provided that sections 3 and 4 of this Act shall take effect on  
7 July 1, 2023.

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INTRODUCED BY:

  
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# S.B. NO. 743

**Report Title:**

Department of Agriculture; Coffee Berry Borer; Coffee Leaf Rust; Subsidy Program; Appropriation

**Description:**

Extends the sunset date for the Coffee Berry Borer Pesticide Subsidy Program to 6/30/2025 and the program manager position, including the position's civil service and collective bargaining laws exemption, to 6/30/2026. Requires the Department of Agriculture to report to the Legislature. Appropriates funds for the operation and implementation of the Pesticide Subsidy Program. Effective 6/14/2023, provided that the appropriation shall take effect on 7/1/2023.

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

