
A BILL FOR AN ACT

RELATING TO COFFEE PEST CONTROL.

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

1 SECTION 1. In accordance with section 9 of article VII of
2 the Hawaii State Constitution and sections 37-91 and 37-93,
3 Hawaii Revised Statutes, the legislature has determined that the
4 appropriations contained in H.B. No. 300, H.D. 1, S.D. 1,
5 C.D. 1, and this Act will cause the state general fund
6 expenditure ceiling for fiscal year 2023-2024 to be exceeded by
7 \$1,063,917,367 or 11.0 per cent. This current declaration takes
8 into account general fund appropriations authorized for fiscal
9 year 2023-2024 in H.B. No. 300, H.D. 1, S.D. 1, C.D. 1, and this
10 Act only. The reasons for exceeding the general fund
11 expenditure ceiling are that:

- 12 (1) The appropriation made in this Act is necessary to
13 serve the public interest; and
14 (2) The appropriation made in this Act meets the needs
15 addressed by this Act.

16 SECTION 2. The legislature finds that coffee is one of the
17 largest agricultural crops in the State and is a highly valued
18 commodity in Hawai'i's economy. In recent years, the coffee



1 berry borer, a small beetle, has infested coffee crops in the
2 Kona and Ka'ū regions of Hawai'i island, and more recently has
3 been detected on O'ahu, Maui, Kaua'i, and Lana'i. In 2020, coffee
4 leaf rust, caused by a fungal pathogen, was discovered for the
5 first time in the State on Maui and Hawai'i island. These two
6 pests threaten the viability of the State's entire coffee
7 industry. Efforts to control coffee berry borer and coffee leaf
8 rust, including the use of United States Food and Drug
9 Administration-approved pesticides, are critical to the local
10 coffee industry, and it is incumbent upon the State to continue
11 to support these efforts.

12 The legislature further finds that in response to these
13 threats to the industry, the coffee berry borer pesticide
14 subsidy program was established by Act 105, Session Laws of
15 Hawaii 2014 (Act 105), to assist Hawai'i coffee farmers with
16 offsetting the cost of pesticides containing the fungus
17 *Beauveria bassiana*, which is known to control coffee berry
18 borer. Due to a longer-than-anticipated implementation of Act
19 105, in 2017, the legislature extended the pesticide subsidy
20 program from its original sunset date of June 30, 2019, to
21 June 30, 2021, via Act 65, Session Laws of Hawaii 2017 (Act 65).



1 After continued programmatic success and the initial discovery
2 of coffee leaf rust in the islands, in 2021, the legislature
3 extended the pesticide subsidy program for another two years,
4 adding a subsidy for coffee leaf rust pesticides.

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

16 Accordingly, the purpose of this Act is to:

- 17 (1) Extend the pesticide subsidy program to June 30, 2025;
- 18 (2) Extend the pesticide subsidy manager position,
19 including the position's exemptions from civil service
20 and collective bargaining laws, until June 30, 2026;
- 21 and



1 (3) Appropriate funds for the program.

2 SECTION 3. Act 105, Session Laws of Hawaii 2014, as
3 amended by section 1 of Act 152, Session Laws of Hawaii 2015, as
4 amended by section 2 of Act 65, Session Laws of Hawaii 2017, as
5 amended by section 2 of Act 32, Session Laws of Hawaii 2018, as
6 amended by section 43 of Act 111, Session Laws of Hawaii 2019,
7 as amended by section 2 of Act 138, Session Laws of Hawaii 2021,
8 is amended as follows:

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

10 "(a) There is established in the department of agriculture
11 a pesticide subsidy program to be administered by the department
12 beginning on July 1, 2014, and ending on June 30, [~~2023.~~] 2025.
13 The department shall grant subsidies to coffee growers to assist
14 the coffee growers in offsetting the costs of purchasing any
15 pesticide that is listed by the department pursuant to
16 subsection (f)."

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

19 "(c) Documentation of pesticide costs, as requested by the
20 department, shall be filed for pesticides purchased within the
21 immediately preceding fiscal year of filing and shall be



1 effective for pesticide costs incurred after June 30, 2014, and
2 before July 1, [~~2023.~~] 2025.

3 (d) Funds shall be disbursed upon approval on an annual
4 basis by the department to the coffee grower for up to
5 [~~seventy-five~~]:

6 (1) Seventy-five per cent of the costs incurred for the
7 purchase of the pesticide before July 1, 2016 [~~, and~~
8 ~~for up to fifty~~];

9 (2) Fifty per cent of the costs incurred for the purchase
10 of the pesticide for the period beginning after
11 June 30, 2016, and before July 1, 2023 [~~;~~] and

12 (3) Seventy-five per cent of the costs incurred for the
13 purchase of the pesticide for the period beginning
14 July 1, 2023, through June 30, 2025.

15 (e) The department shall aggregate the total subsidy
16 applications pursuant to this section and divide and distribute
17 the available subsidy funds on a pro rata basis; provided that
18 no single coffee grower shall receive subsidies that are more
19 than \$600 per year for coffee berry borer control and more than
20 \$600 per year for coffee leaf rust control per acre of land in
21 coffee production; provided further that no single coffee grower



1 shall receive subsidies that are more than \$9,000 per year;
2 provided further that no single coffee grower shall receive
3 subsidies that total more than \$6,000 per year for the period
4 after June 30, 2018, and before July 1, 2021; provided further
5 that no single coffee grower shall receive subsidies that total
6 more than \$12,000 per year for the period after June 30, 2021,
7 and before July 1, [~~2023-~~] 2025."

8 3. By amending subsections (g) and (h) of section 3 to
9 read:

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

17 (1) Facilitate the efficient division and distribution of
18 available subsidy funds; and

19 (2) Manage the day-to-day coordination for the pesticide
20 subsidy program.



1 The pesticide subsidy program manager shall receive a
2 salary of not more than \$50,000 per year. The pesticide subsidy
3 program manager position, including the position's exemption
4 from chapters 76 and 89, Hawaii Revised Statutes, shall expire
5 on June 30, [~~2024~~] 2026.

6 (h) Not later than twenty days prior to the convening of
7 the regular session of [~~2023~~] 2025, the department shall submit
8 a report of its findings and recommendations, including any
9 proposed legislation, to the legislature on the results of the
10 subsidy program and whether the program should be allowed to
11 expire or be extended, and if extended, with or without
12 modification."

13 4. By amending section 6 to read:

14 "SECTION 6. This Act shall take effect on July 1, 2014;
15 provided that:

16 (1) Section 3 shall be repealed on June 30, [~~2023~~] 2025,
17 except that section 3(g) shall be repealed on June 30,
18 [~~2024~~] 2026; and

19 (2) The amendment made to section 149A-13.5(b), Hawaii
20 Revised Statutes, under section 2 of this Act shall
21 not be repealed when section 149A-13.5(b), Hawaii



1 Revised Statutes, is repealed and reenacted on
2 June 30, 2015, by section 4 of Act 168, Session Laws
3 of Hawaii 2010."

4 SECTION 4. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$150,000 or so much
6 thereof as may be necessary for fiscal year 2023-2024 to be
7 deposited into the pesticide use revolving fund established
8 under section 149A-13.5, Hawaii Revised Statutes.

9 SECTION 5. There is appropriated out of the pesticide use
10 revolving fund the sum of \$150,000 or so much thereof as may be
11 necessary for fiscal year 2023-2024 for the operation and
12 implementation of the pesticide subsidy program.

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

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

17 SECTION 7. This Act shall take effect upon its approval;
18 provided that sections 4 and 5 of this Act shall take effect on
19 July 1, 2023.

20



Report Title:

HDOA; Coffee Berry Borer; Coffee Leaf Rust; Pesticide Subsidy Program; Appropriation; Expenditure Ceiling

Description:

Extends the sunset date for the Coffee Berry Borer and Coffee Leaf Rust 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. (CD1)

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