S.B. NO. <sup>743</sup> S.D. 1 H.D. 1

C.D. 1

1

# A BILL FOR AN ACT

SECTION 1. In accordance with section 9 of article VII of

RELATING TO COFFEE PEST CONTROL.

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

1	SECTION 1. IN accordance with Section 9 of article vir 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 Hawaiʻi's economy. In recent years, the coffee 2023-3009 SB743 CD1 SMA.docx

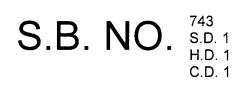
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berry borer, a small beetle, has infested coffee crops in the 1 2 Kona and Ka'ū regions of Hawai`i island, and more recently has been detected on O'ahu, Maui, Kaua'i, and Lana'i. In 2020, coffee 3 leaf rust, caused by a fungal pathogen, was discovered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

The legislature further finds that in response to these 12 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).

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

5 As of December 9, 2022, the department of agriculture has received nine hundred eighty receipts for reimbursement under 6 the coffee berry borer pesticide subsidy program, expending a 7 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.

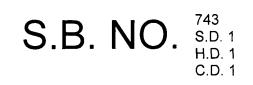
16 Accordingly, the purpose of this Act is to:

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



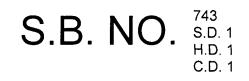


1 (3) Appropriate funds for the program. SECTION 3. Act 105, Session Laws of Hawaii 2014, as 2 amended by section 1 of Act 152, Session Laws of Hawaii 2015, as 3 amended by section 2 of Act 65, Session Laws of Hawaii 2017, as 4 5 amended by section 2 of Act 32, Session Laws of Hawaii 2018, as 6 amended 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: "(a) There is established in the department of agriculture 10 11 a pesticide subsidy program to be administered by the department beginning on July 1, 2014, and ending on June 30, [2023.] 2025. 12 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)." 2. By amending subsections (c) through (e) of section 3 to 17 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

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1	effective	for pesticide costs incurred after June 30, 2014, and
2	before Ju	ly 1, [ <del>2023.</del> ] <u>2025.</u>
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[ <del>, and</del>
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[ $\div$ ]; 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	application	ons pursuant to this section and divide and distribute
17	the avail	able 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 pr	oduction; provided further that no single coffee grower

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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 to9 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 Facilitate the efficient division and distribution of (1)18 available subsidy funds; and 19 (2) Manage the day-to-day coordination for the pesticide

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subsidy program.

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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

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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.
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#### 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)

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

