

ACT 345

H.B. NO. 2214

A Bill for an Act Relating to Coffee Certification.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Coffee grown in the Hawaiian islands has unique qualities valued around the globe. The world famous Kona coffee, and the coffees grown in other districts throughout Hawaii, at their best, can match the best coffees grown anywhere. However, not all the coffee grown in Hawaii meets this high standard. In order for Hawaii's coffee industry to maintain its quality image, there must be a system to guarantee that high standards are met on all coffee leaving its point of origin.

Currently, coffee farmers and processors have the option of having the department of agriculture perform grade certification of their green coffee beans. If all coffee is certified as meeting State of Hawaii standards for grades of green coffee, the industry can have better control over the quality of coffee going into the marketplace.

The purpose of this Act is to make this voluntary certification program mandatory for all coffee grown in the State, with the aim of assuring the quality and origin to the buyers of Hawaii-grown green coffee and improving and protecting the standards of the Hawaii coffee industry.

SECTION 2. Section 147-7, Hawaii Revised Statutes, is amended to read as follows:

“§147-7 Inspection and classification of agricultural commodities; fees.

(a) The department [of agriculture] may contract with the United States Department of Agriculture for obtaining the services of a supervising inspector employed by the federal department and the establishment of a cooperative inspection service with the United States government. The [board of agriculture,] department, or the supervising inspector, with the approval of the [board,] department, may designate any competent employee or agent of the department as an inspector to inspect or classify agricultural commodities in accordance with rules [as] of the department [may make], and at the time and places [as may be] designated by the supervising inspector or the [board. In addition, the] department.

(b) The inspectors shall be authorized to inspect or classify agricultural commodities at the request of persons having a financial interest in the commodities, or as mandated by subsection (d), and to ascertain and certify to the persons the grade, classification, quality, [or] condition [thereof], or origin of them and other pertinent facts.

(c) The department may fix, assess, and collect or cause to be collected fees for the services when they are performed by employees of the department. The fees shall be on a uniform basis and in an amount reasonably necessary to cover the cost of inspection and the administration of this part; provided that the department may prescribe a reasonable charge for traveling expenses and extraordinary services when the performance of the services involves unusual cost in their performance. No fee shall be charged for an inspection unless the inspection was requested by a person having a financial interest in the inspected commodity[.] or the inspection was mandated by subsection (d).

(d) All Hawaii-grown green coffee beans shall be inspected and certified by the department for grade and origin unless otherwise specified by rules of the department.

(e) The department may adopt rules establishing the requirements, procedures, restrictions, and other criteria necessary for establishing a program of self inspection and certification of agricultural commodities.”

SECTION 3. Section 147-8, Hawaii Revised Statutes, is amended to read as follows:

“§147-8 Appeal for classification; fee. Whenever any quantity of any agricultural commodity has been inspected [at the request of a person having a financial interest in the inspected commodity] under section 147-7 and a question arises as to whether the certificate issued with respect to the inspection shows true grade, class, quality, [or] condition, or origin of the product, any person having a financial interest in the inspected commodity, subject to [such regulations as the department of agriculture may prescribe,] any rules adopted by the department, may appeal to the [board of agriculture and the board] department for a reinspection and the department may [cause such inspection to be made and such] reinspect and conduct appropriate tests to [be applied as it may deem necessary and] determine and issue a written [finding as to] certificate of the true grade [or], class [of the product, and the], quality [or], condition [thereof.], or origin of the product.

Whenever any appeal is made to the [board] department under this section it shall charge and collect or cause to be collected a reasonable fee. The amount of the fee shall be fixed by [the board] rule and shall be refunded if the appeal is sustained.”

SECTION 4. Section 147-23, Hawaii Revised Statutes, is amended to read as follows:

“§147-23 Prohibited acts. (a) No commercial exporter shall ship any fresh or processed agricultural commodities to points outside the State unless such products meet the quality, condition, and labeling requirements of the rules adopted under this part.

(b) No Hawaii-grown green coffee beans shall be shipped outside the area of their geographic origin to any point within the State or outside the State unless they have been inspected and certified as required in section 147-7(d) or by rules adopted under section 147-7(d). Areas of geographic origin shall be defined by rules of the department.”

SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$10,000, or so much thereof as may be necessary for fiscal year 1997-1998, to be paid into the coffee inspection revolving fund established under section 147-7.5, Hawaii Revised Statutes, for the purpose of training new coffee inspectors for the purposes of this Act. The sum of \$10,000 shall be repaid to the general fund of the State of Hawaii by June 30, 1999, from the revenues collected in the coffee inspection revolving fund from users of the inspections services.

SECTION 6. The sum appropriated shall be expended by the department of agriculture for the purposes of this Act.

SECTION 7. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 8. This Act shall take effect on July 1, 1997.

(Approved July 3, 1997.)