

ACT 105

H.B. NO. 1514

A Bill for an Act Relating to Agriculture.

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

SECTION 1. The legislature finds that coffee is one of the largest agricultural crops in the State and is a highly valued commodity in Hawaii's econ-

omy. In recent years, the coffee berry borer, a small beetle, has infested coffee crops in the Kona and Kau regions, and this infestation threatens the viability of Hawaii's entire coffee industry. The legislature also finds that ongoing efforts to control the coffee berry borer are critical, and the State must take immediate action to support these efforts.

The legislature also finds that application of the organic biological pesticide containing the fungus *Beauveria bassiana* is known to cause high mortality in the coffee berry borer, and is a primary method of pest control for the coffee berry borer in other coffee-growing regions of the world. Research shows that subsidizing the cost of pesticides is an effective and necessary incentive to encourage farmers to adopt recommended pest management strategies.

The purpose of this Act is to appropriate moneys for the development and implementation of a pesticide subsidy program to assist coffee growers with offsetting the cost of purchasing pesticides containing *Beauveria bassiana*, a naturally occurring fungus known to cause mortality in coffee berry borers.

SECTION 2. Section 149A-13.5, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

“(a) There is established within the treasury of the State, a pesticide use revolving fund. The fund shall be administered by the department for the purposes of this section. The fund shall consist of:

- (1) Licensing and registration fees and charges collected by the department under section 149A-13(b); ~~and~~
- (2) All fees collected by the department through the collection of training fees in accordance with subsection (c)~~[-]~~; ~~and~~
- (3) Funds appropriated for the pesticide subsidy program established under Act , Session Laws of Hawaii 2014.

(b) Moneys in the pesticide use revolving fund shall be expended by the department to support the pesticide program's registration and licensing, certification and education, and compliance monitoring activities. The department shall also expend revolving fund moneys on the establishment of pesticide training workshops, educational programs, development of integrated pest management strategies, the pesticide subsidy program created under Act , Session Laws of Hawaii 2014, and other services for pesticide users such as the agricultural pest control industry, the structural pest control industry, and consumer users of pesticides, which provide pesticide instruction in areas including the collection, disposal, and recycling of pesticide containers and all other pesticide services deemed necessary by the department. Moneys from the revolving fund may be used for personnel, services, materials, and equipment for the purposes of this section.

Moneys expended by the department from the pesticide use revolving fund for training workshops, educational programs, and other services for the agricultural pest control industry, the structural pest control industry, and consumer groups shall be expended in a manner that appropriately addresses the needs of each category of pesticide user.”

SECTION 3. (a) There is established in the department of agriculture a pesticide subsidy program to be administered by the department for five years beginning on July 1, 2014, and ending on June 30, 2019. The department shall grant subsidies to coffee growers to assist them in offsetting the costs of purchasing any pesticide that is listed by the department pursuant to subsection (f).

(b) Applications for subsidies by coffee growers shall be submitted on a form furnished by the department and shall be filed with accompanying documentation of the costs of purchasing the pesticide; provided that:

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- (1) The applicant shall indemnify and hold harmless the State and its officers, agents, and employees from all claims arising out of or resulting from the pesticide purchased; and
- (2) The department may request an applicant to provide necessary information for the purposes of verifying the size or sale weight, as applicable, and amount of the pesticide purchased.
- (c) Documentation of pesticide costs, as requested by the department, shall be filed for pesticides purchased within the immediate preceding fiscal year of filing and shall be effective for pesticide costs incurred after June 30, 2014, and before July 1, 2019.
- (d) Funds shall be disbursed from the pesticide use revolving fund established under section 149A-13.5, Hawaii Revised Statutes, upon approval on an annual basis by the department to the coffee grower for up to seventy-five per cent of the costs incurred for the purchase of the pesticide before July 1, 2016, and for up to fifty per cent of the costs incurred after June 30, 2016, and before July 1, 2019.
- (e) The department shall aggregate the total subsidy applications pursuant to this section and divide and distribute the available subsidy funds on a pro rata basis; provided that no single coffee grower shall receive subsidies that are more than \$600 per year per acre of land in coffee production; provided further that no single coffee grower shall receive subsidies that are more than \$9,000 per year.
- (f) The department shall establish a list of pesticides that are registered with the Environmental Protection Agency and are licensed with the State that contain *Beauveria bassiana*, a fungus known to eradicate the coffee berry borer, as an active ingredient.
- (g) Not later than twenty days prior to the convening of the regular session of 2019, the department shall submit a report of its findings and recommendations, including any proposed legislation, to the legislature on the results of the subsidy program and whether the program should be allowed to expire or be extended, and if extended, with or without modification.
- (h) Actions taken by the department pursuant to this section shall be exempt from the rulemaking requirements of section 91-3, Hawaii Revised Statutes.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$500,000 or so much thereof as may be necessary for fiscal year 2014-2015 for deposit into the pesticide use revolving fund established under section 149A-13.5, Hawaii Revised Statutes.

There is appropriated out of the pesticide use revolving fund the sum of \$500,000 or so much thereof as may be necessary for fiscal year 2014-2015 for the department of agriculture to develop, operate, and implement a pesticide subsidy program established under section 3 of this Act; provided that the department of agriculture may expend up to \$50,000 to hire one temporary program specialist for the pesticide subsidy program.

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

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

SECTION 6. This Act shall take effect on July 1, 2014; provided that section 3 shall be repealed on June 30, 2019; provided further that the amendment made to section 149A-13.5(b), Hawaii Revised Statutes, under section 2 of this Act shall not be repealed when section 149A-13.5(b), Hawaii Revised Statutes, is

repealed and reenacted on June 30, 2015, by section 4 of Act 168, Session Laws of Hawaii 2010.

(Approved June 19, 2014.)