

ACT 176

H.B. NO. 2009

A Bill for an Act Relating to the Milk Control.

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

SECTION 1. The legislature finds that the milk industry is of such importance to the economy of the State that it is in the public interest to safeguard and protect this industry. Milk provides an irreplaceable nutritional and dietary

mainstay and is essential for the welfare and long-term benefit of the residents of the State, especially children and senior citizens. While the State's milk industry is privately owned and operated, the role of an impartial governmental agency is necessary to regulate and oversee the interaction between producers, processors, and if necessary, the retailers and distributors. Before the implementation of legislation to protect the State's milk industry, the milk industry struggled through years of turmoil and instability, culminating in a period of hostility between milk processors and producers that is referred to as the "Milk Wars of the 60s".

The purpose of this Act is to strengthen the milk industry in the State by establishing a minimum reserve requirement in the milk control special fund that provides funding to cover all the costs of administering the State's Milk Control Act and specifying audits as a contingency cost covered by the minimum reserve.

SECTION 2. Section 157-29, Hawaii Revised Statutes, is amended to read as follows:

“~~§157-29~~ Milk control special fund. There is established the milk control special fund to be administered by the board of agriculture. All moneys received by the board of agriculture as application fees and for licenses or otherwise under this chapter, and any state appropriations or other moneys made available to carry out the purposes of this chapter, shall be deposited into the special fund. All interest earned or accrued on moneys deposited in the special fund shall become part of the special fund. Moneys in the special fund shall be expended to cover all costs of administering this chapter including but not limited to the costs of salaries, fringe benefits, operating expenses, equipment, motor vehicles, contracts for services, and promotional expenses. Moneys in the special fund may be transferred to the general fund for salaries and fringe benefits of other state employees assisting in administering this chapter and other related costs. A reserve in an amount of not less than \$300,000 shall be maintained in the special fund to cover contingency costs including but not limited to accrued vacation leave, audits, unemployment insurance, and workers' compensation.”

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

SECTION 4. This Act shall take effect on July 1, 2014.

(Approved July 1, 2014.)