

ACT 65

ACT 65

H.B. NO. 186

A Bill for an Act Relating to Coffee Berry Borer Beetle.

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

SECTION 1. Coffee is one of the largest agricultural crops in the State and is a highly valued commodity in Hawaii's economy. In recent years, the cof-

fee berry borer, a small beetle, has infested coffee crops in the Kona and Kau regions of Hawaii island and, more recently, has been detected on Oahu and Maui. This infestation threatens the viability of Hawaii's entire coffee industry. Ongoing efforts to control the coffee berry borer are critical, and the State must continue to support these efforts.

Application of the organic biological pesticide containing the fungus *Beauveria bassiana* is known to cause high rates of 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.

Act 105, Session Laws of Hawaii 2014, appropriated funds for the development and implementation of a pesticide subsidy program to assist coffee growers with offsetting the cost of purchasing pesticides containing *Beauveria bassiana*. However, it took longer than anticipated for Act 105 to be implemented, and this assistance only became available from the State at the end of 2016, more than two years later.

The purpose of this Act is to extend the sunset date of the pesticide subsidy program for two years so that the program can remain in effect for the number of years that was intended when Act 105 was passed.

SECTION 2. Act 105, Session Laws of Hawaii 2014, as amended by Act 152, Session Laws of Hawaii 2015, is amended as follows:

1. By amending section 3 to read:

“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.~~] 2021. 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:

- (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.~~] 2021.

(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.~~] 2021.

(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 fur-

ACT 65

ther that no single coffee grower shall receive subsidies that are more than \$9,000 per year[-]; provided further that no single coffee grower shall receive subsidies that total more than \$6,000 per year for the period after June 30, 2018, and before July 1, 2021.

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

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

The pesticide subsidy program manager shall receive a salary of not more than \$50,000 per year.

(h) Not later than twenty days prior to the convening of the regular session of ~~[2019,]~~ 2021, 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.

(i) Actions taken by the department pursuant to this section shall be exempt from the rulemaking requirements of section 91-3, Hawaii Revised Statutes.”

2. By amending section 6 to read:

“SECTION 6. This Act shall take effect on July 1, 2014; provided that section 3 shall be repealed on June 30, ~~[2019;]~~ 2021; 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.”

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, 2017.

(Approved June 30, 2017.)