

A Bill for an Act Relating to Composting.

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

SECTION 1. The legislature finds that according to the United States Environmental Protection Agency and United States Department of Agriculture, food waste is the second largest component that enters a waste stream and accounts for twenty-five per cent of all materials sent to landfills. Recycling food waste into compost has environmental benefits, such as improving soil health, increasing drought resistance, and reducing the need for supplemental water, fertilizers, and pesticides. Furthermore, applying compost and organic matter to soil sequesters carbon from the atmosphere, forming the largest land-based carbon sink, and mitigates climate change by effectively reducing greenhouse gas emissions. The legislature believes that food waste diversion will help move the State toward the Aloha+ Challenge commitment of seventy per cent waste stream reduction by 2025.

The purpose of this Act is to appropriate moneys to the department of agriculture to establish and implement a compost reimbursement pilot program to assist farmers and ranchers in the State with affordable compost material.

SECTION 2. (a) The department of agriculture shall establish and implement a three-year compost reimbursement pilot program to provide cost reimbursement to farming operations in the State to assist farmers and ranchers in meeting the costs of acquiring compost purchased from a certified processor, dealer, retailer, or wholesaler licensed to do business in the State.

(b) Applications for cost reimbursements shall be submitted on a form furnished by the department and shall be filed with accompanying documentation of the costs of purchasing compost pursuant to subsection (c); 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 compost 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 compost purchased.

(c) Documentation of compost costs, requested by the department, shall be filed for compost purchased within the fiscal year immediately preceding the filing and be effective for compost costs incurred after June 30, 2018, and before July 1, 2021.

(d) Funds shall be dispersed upon approval on an annual basis by the department to the farmer or rancher for up to fifty per cent of the costs incurred for the purchase of the compost after June 30, 2018, and before July 1, 2021.

(e) The department shall aggregate the total reimbursement applications pursuant to this section and divide and distribute the available moneys on a first come, first served basis; provided that no single farmer or rancher shall receive a reimbursement total of more than \$50,000 per year.

(f) There is established within the department a compost reimbursement pilot program manager position, which shall be a full-time, temporary position exempt from chapters 76 and 89, Hawaii Revised Statutes. The compost reimbursement pilot 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 compost reimbursement pilot program manager shall:

- (1) Facilitate the division and distribution of available costs for reimbursement; and
- (2) Manage the day-to-day coordination of the compost reimbursement pilot program.

The compost reimbursement pilot program manager shall receive a salary not to exceed \$50,000 per year.

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

(h) As used in this section:

“Compost” means a product of a process in which organic materials are biologically decomposed under controlled conditions to produce a stable humus-like mulch or soil amendment. The composting process includes but is not limited to receipt of materials, primary processing, decomposition activities, and final processing for sale and marketing. Compostable materials shall include pre- and post-consumer food waste, waste from animal food processing operations, green waste, crop residues, and waste from vegetable food processing operations and similar materials.

“Department” means the department of agriculture.

“Farming operations” shall have the same meaning as in section 165-2, Hawaii Revised Statutes.

SECTION 3. The department of agriculture shall submit a report of its findings and recommendations, including any proposed legislation, regarding the results of the compost reimbursement pilot program and whether the program should be reinstated, with or without modifications, to the legislature no later than twenty days prior to the convening of the regular session of 2022.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,000,000 or so much thereof as may be necessary for fiscal year 2018-2019 for the department of agriculture to develop and implement a compost reimbursement pilot program pursuant to section 2 of this Act; provided that the department of agriculture may expend:

- (1) \$50,000 per year to establish one full-time, temporary program manager position for the compost reimbursement pilot program; and
- (2) \$20,000 per year for program and administrative costs.

The sum appropriated shall be expended by the department of agriculture for the purposes of this section; provided that this appropriation shall not lapse at the end of fiscal year 2018-2019; provided further that all moneys that are unencumbered as of June 30, 2020, shall lapse as of that date.

SECTION 5. This Act shall take effect on July 1, 2018; provided that section 2 of this Act shall be repealed on December 31, 2021.

(Approved June 29, 2018.)