

ACT 126

H.B. NO. 1291

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 the State's second most lucrative agricultural crop, valued by the United States Department of Agriculture at up to \$64,300,000 annually, with additional upstream and downstream impacts that include employment, land preservation, and tourism.

The legislature further finds that Hawaii-grown coffee is among the highest priced coffee sold anywhere in the world, largely due to the high cost of

production and its reputation for outstanding quality. As such, the State's coffee industry is susceptible to fraud when less expensive coffees are falsely labeled as originating from Hawaii. Currently, state law imposes penalties for the false labeling (counterfeiting) of Hawaii-grown coffee in cherry and parchment form, but the fraud of coffee counterfeiting has been almost exclusively committed in roasted coffee products. Coffee counterfeiting undermines Hawaii's coffee farmers by misrepresenting an increase in supply, thereby creating downward price pressure and value depreciation in the marketplace. Additionally, further harm occurs when inferior products are introduced into the supply chain, thereby undermining Hawaii's hard-fought brand identity for high quality crops.

Accordingly, the purpose of this Act is to deter coffee counterfeiting by expanding the offense of false labeling of Hawaii-grown coffee to include roasted coffee and enhancing the penalties for the false labeling of Hawaii-grown coffee with regard to its geographic origin through the imposition of a mandatory minimum fine and specification that each act of false labeling is a distinct and separate offense.

SECTION 2. Section 708-871.5, Hawaii Revised Statutes, is amended to read as follows:

“[H]§708-871.5[H] False labeling of Hawaii-grown coffee. (1) A person commits the offense of false labeling of Hawaii-grown coffee if the person knowingly transports, distributes, advertises, sells, or possesses with the intent to sell Hawaii-grown green coffee, cherry coffee, [ø] parchment coffee, or roasted coffee that is falsely labeled with regard to the geographic origin of the Hawaii-grown coffee.

(2) For the purposes of this section:

“Cherry coffee” means the unprocessed fruit of the coffee plant.

“Geographic origin” means the geographic areas designated as follows:

- (a) Hamakua is the Hamakua district on the island of Hawaii, as designated by the State of Hawaii tax map;
- (b) Hawaii is the State of Hawaii;
- (c) Kau is the Kau district on the island of Hawaii, as designated by the State of Hawaii tax map;
- (d) Kauai is the island of Kauai;
- (e) Kona is the north Kona and south Kona districts on the island of Hawaii, as designated by the State of Hawaii tax map;
- (f) Maui is the island of Maui;
- (g) Molokai is the island of Molokai; and
- (h) Oahu is the island of Oahu.

“Green coffee” means the agricultural commodity comprised of green coffee beans.

“Parchment coffee” means the dried product that remains when coffee cherries are processed by removing the coffee seeds from the pulp.

“Roasted coffee” means a product that results from heating the cherry coffee seeds to augment aroma and flavor.

(3) False labeling of Hawaii-grown coffee is a class C felony. In addition to any penalties imposed pursuant to section 706-605, the court shall impose on any defendant convicted of false labeling of Hawaii-grown coffee a mandatory minimum fine of \$7,500 for each separate offense. Each act of false labeling of Hawaii-grown coffee shall constitute a distinct and separate offense. The mandatory minimum fine imposed shall not be suspended or waived.”

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SECTION 3. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2025.

(Approved May 29, 2025.)