
A BILL FOR AN ACT

RELATING TO AGRICULTURE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. The purpose of this Act is to promote and
2 support agriculture by, among other things:
- 3 (1) Establishing the agriculture inspection and
4 certification special fund under the department of
5 agriculture;
- 6 (2) Transmitting certain fees, civil penalties, and moneys
7 collected pursuant to section 141-4, chapter 144, part
8 I of chapter 145, and chapter 147 by the department of
9 agriculture to the agriculture inspection and
10 certification special fund;
- 11 (3) Allowing the department to enter into agreements with
12 government and private agencies to hire inspectors;
- 13 (4) Transferring all moneys and unpaid obligations of the
14 certification services revolving fund on June 30,
15 2010, to the agriculture inspection and certification
16 special fund; and
- 17 (5) Repealing the certification services revolving fund.



1 SECTION 2. Chapter 147, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and read as follows:

4 "§147- Agriculture inspection and certification special
5 fund. (a) There is established within the state treasury the
6 agriculture inspection and certification special fund.

7 (b) The following sources of funds shall be deposited into
8 the fund:

9 (1) Fees, charges, fines, and penalties designated by law
10 or rule for deposit into the fund;

11 (2) Federal funds received for inspecting, certifying,
12 weighing, classifying, or grading of agricultural
13 commodities to be exported from or shipped within the
14 state;

15 (3) Grants and gifts;

16 (4) Funds received for food safety or food security
17 certification seals;

18 (5) Funds received for promoting safety-certified food
19 suppliers and services related to food safety;

20 (6) All interest earned or accrued on moneys deposited in
21 the fund; and

22 (7) Any other moneys made available to the fund.



1 (c) The moneys in the agriculture inspection and
2 certification special fund shall be expended by the department
3 for:

4 (1) The licensure of commission merchants, dealers,
5 brokers, agents, processors, and retail merchants;

6 (2) The administration, operation, and enforcement of
7 chapter 144, part I of chapter 145, and chapter 147;
8 and

9 (3) The inspection, certification, weighing, or grading of
10 agricultural commodities that are to be imported into,
11 exported from, or shipped within the state.

12 No moneys from the general or other special or revolving
13 funds shall be expended by the department for the
14 administration, operation, or enforcement of section 141-4,
15 chapter 144, part I of chapter 145, chapter 147, or chapter 150;
16 provided that the expenditure of moneys from the general fund
17 for central services and departmental administrative expenses
18 shall be permitted."

19 SECTION 3. Section 141-4, Hawaii Revised Statutes, is
20 amended to read as follows:

21 "**§141-4 Weights of coffee; rules.** The department of
22 agriculture may make rules respecting the weighing of coffee



1 prior to its shipment to points outside the [~~State,~~] state, and
2 providing for the certification of weights thereof. Further, a
3 reasonable schedule of fees to defray the expense of
4 administering this section shall be established by the
5 department, which fees shall be collected and [~~deposited with~~]
6 transmitted to the state director of finance [~~to the credit of~~
7 ~~the general~~] for deposit into the agriculture inspection and
8 certification special fund; provided that the department shall
9 consult the appropriate industries, organizations, and agencies
10 prior to the promulgation of the rules."

11 SECTION 4. Section 144-5, Hawaii Revised Statutes, is
12 amended by amending subsection (a) to read, as follows:

13 "(a) There shall be paid to the department for all feeds
14 distributed or imported for use or sale in this [~~State,~~] state,
15 inspection fees as established by the rules of the department;
16 provided that the department shall exempt by rule the payment of
17 inspection fees on feed not subject to specific requirements of
18 this chapter or rules adopted under this chapter. All
19 inspection fees collected shall be [~~deposited with~~] transmitted
20 to the state director of finance [~~to the credit of the general~~]
21 for deposit into the agriculture inspection and certification
22 special fund."



1 SECTION 5. Section 145-14, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§145-14 Disposition of fees and charges. (a) All fees,
4 charges, expenses, and other moneys collected pursuant to this
5 ~~[chapter]~~ part shall be ~~[deposited with]~~ transmitted to the
6 state director of finance ~~[to the credit of the general]~~ for
7 deposit into the agriculture inspection and certification
8 special fund.

9 (b) The following moneys shall be deposited into the
10 agriculture inspection and certification special fund:

11 (1) Fees, charges, expenses, and other moneys collected
12 under this part;

13 (2) Fines collected from violations of this part; and

14 (3) Interest earned on the moneys in the special fund."

15 SECTION 6. Section 147-10, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "§147-10 Income from certification and agriculture control
18 activities. ~~[Except for fees collected by the department~~
19 ~~pursuant to part VII, all]~~ All fees, expenses, and penalties
20 collected by the department pursuant to this part shall be
21 ~~[deposited with]~~ transmitted to the director of finance ~~[to the~~



1 ~~credit of the general]~~ for deposit into the agriculture
2 inspection and certification special fund."

3 SECTION 7. Section 147-34, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "§147-34 **Inspection; certification fees.** The board of
6 agriculture may designate any appropriately-certified employee
7 or agent of the department as an inspector to classify and
8 inspect fresh and processed flowers and foliage for quality and
9 condition and to determine if containers, packing materials, and
10 methods of packing meet the minimum requirements established.
11 In addition the inspector may classify and inspect flowers and
12 foliage for quality and condition at the request of persons
13 having a financial interest in the commodities in order to
14 ascertain and to certify to those persons the grade,
15 classification, quality, or condition thereof and other
16 pertinent facts. The department may fix, assess, and collect or
17 cause to be collected fees for those certification services when
18 they are performed by the employees of the department. The fees
19 shall be on a uniform basis and in an amount reasonably
20 necessary to cover the cost of certification services provided
21 at the request of persons having a financial interest. [~~Except~~
22 ~~for fees collected by the department pursuant to part VII, all]~~



1 All fees collected by the department pursuant to this part shall
2 be ~~[deposited with]~~ transmitted to the state director of finance
3 ~~[to the credit of the general]~~ for deposit into the agriculture
4 inspection and certification special fund."

5 SECTION 8. Section 147-64, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "§147-64 Deposit of moneys. ~~[Except for fees collected by~~
8 ~~the department pursuant to part VII, all]~~ All fees, charges,
9 expenses, civil penalties, and other moneys collected by the
10 department under this part or any rules prescribed by the
11 department pursuant to this part shall be ~~[deposited with]~~
12 transmitted to the state director of finance ~~[to the credit of~~
13 ~~the general]~~ for deposit into the agriculture inspection and
14 certification special fund."

15 SECTION 9. Section 147-74, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "§147-74 Grading standards and regulations ~~[-]~~; fees. (a)

18 Subject to chapter 91, the department of agriculture may make
19 rules with respect to:

20 (1) Sale and transportation for sale of eggs for human
21 consumption;



- 1 (2) Specific grades or standards of quality, condition and
2 size or weight classes which shall conform when
3 practical to those established by the United States
4 Department of Agriculture as local conditions will
5 permit;
- 6 (3) Inspection and classification;
- 7 (4) Assessment and collection of fees for requested
8 certification as to grade, standard of quality,
9 condition, and size or weight classes;
- 10 (5) Labeling of containers of imported and locally
11 produced eggs and marking of individual imported eggs
12 as to origin;
- 13 (6) Seller's invoice for sale of eggs;
- 14 (7) Records of imported shell eggs of foreign origin;
- 15 (8) Methods of determining egg quality, which shall not
16 include recandling or any other method applied to eggs
17 in interstate commerce which is discriminatory or
18 impairs that commerce in any way or requires a cost
19 increase of eggs in interstate commerce;
- 20 (9) Enforcement of this part and of the rules adopted
21 under this part.



1 (b) Any fees collected pursuant to subsection (a)(4) shall
2 be transmitted to the director of finance for deposit into the
3 agriculture inspection and certification special fund."

4 SECTION 10. Section 147-97, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "~~§147-97~~ **Disposition of fees.** All fees collected under
7 this part shall be [~~paid into a special fund established by the~~
8 ~~department of agriculture and shall be expended for the purposes~~
9 ~~of this part-~~] transmitted to the director of finance for
10 deposit into the agriculture inspection and certification
11 special fund."

12 SECTION 11. Section 147-102, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "[+]§147-102[+] **Certification and audit services.** The
15 department of agriculture shall fix, assess, and collect fees
16 for certification or audit services provided by temporary
17 inspectors employed under this [~~part-~~] chapter. The fees shall
18 be in amounts necessary to cover all costs of the administration
19 and provision of the certification or audit services provided
20 under this [~~part-~~] chapter; provided that the department of
21 agriculture shall establish charges for traveling expenses and
22 extraordinary services when the performance of the services



1 involves unusual cost. The fees and charges established by the
2 department of agriculture shall not be subject to chapter 91[-]
3 and, upon collection, shall be transmitted to the director of
4 finance for deposit into the agriculture inspection and
5 certification special fund. The department of agriculture may
6 employ temporary inspectors to assist in providing certification
7 or audit services under parts I, III, IV, VIII, and IX, and
8 those temporary inspectors shall be exempt from chapter 76."

9 SECTION 12. Section 147-112, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "[+]§147-112[+] Cooperative agreements and contracts to
12 provide auditing and certification services. The department may
13 enter into cooperative agreements with the United States
14 Department of Agriculture or other agreements and contracts with
15 private parties or other governmental agencies for the purposes
16 of:

- 17 (1) Auditing and certifying that applicants are following
18 good agricultural, handling, processing, and
19 manufacturing practices; [and]
20 (2) Hiring and paying travel and other expenses for
21 inspectors to perform the certification and audit
22 services required under this chapter;



- 1 ~~[(2)]~~ (3) Maintaining food safety, security, and product
2 traceability~~[-]; and~~
- 3 (4) Establishing and maintaining an Internet food safety
4 promotional and reporting system."

5 SECTION 13. Section 147-114, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "~~[(4)]~~ §147-114 ~~[(4)]~~ **Fees and deposit of moneys.** (a) The
8 department shall fix, assess, and collect fees for the audit and
9 certification services provided under this part~~[-]~~, including
10 fees for hiring inspectors to perform the services. The fees
11 shall be as established under cooperative agreement with the
12 United States Department of Agriculture or other governmental
13 agencies or, if not applicable, as established by rule under
14 section 147-7. The department ~~[may]~~ shall also charge an amount
15 necessary to cover all costs of traveling expenses and
16 extraordinary services when the performance of the services
17 involves unusual cost in their performance.

18 (b) ~~[Except for fees collected by the department pursuant~~
19 ~~to part VII, all]~~ All fees and expenses collected by the
20 department pursuant to this part shall be ~~[deposited with]~~
21 transmitted to the director of finance ~~[to the credit of the~~



1 ~~general]~~ for deposit into the agriculture inspection and
2 certification special fund."

3 SECTION 14. Section 147-126, Hawaii Revised Statutes, is
4 amended by amending subsection (b) to read as follows:

5 " (b) ~~[Except for fees collected by the department pursuant~~
6 ~~to part VII, all]~~ All fees and expenses collected by the
7 department pursuant to this part shall be ~~[deposited with]~~
8 transmitted to the director of finance ~~[to the credit of the~~
9 ~~general]~~ for deposit into the agriculture inspection and
10 certification special fund."

11 SECTION 15. Section 147-101, Hawaii Revised Statutes, is
12 repealed.

13 ~~["§147-101 Certification services revolving fund. There~~
14 ~~is established a certification services revolving fund for use~~
15 ~~by the department of agriculture to support certification or~~
16 ~~audit services established under parts I, III, IV, VIII, and IX.~~
17 ~~Moneys in the fund may be expended for materials, salaries,~~
18 ~~equipment, training, travel, and other costs related to~~
19 ~~providing certification or audit services. Notwithstanding~~
20 ~~sections 147-10, 147-34, 147-64, 147-114 and 147-126, moneys~~
21 ~~derived from the certification or audit services provided by~~
22 ~~temporary inspectors employed under this part or from charges~~



1 ~~for traveling expenses or extraordinary services shall be~~
2 ~~deposited into the fund."]~~

3 SECTION 16. (a) The repeal of section 147-101, Hawaii
4 Revised Statutes, shall not rescind any fees authorized or
5 imposed under that section that would have been deposited into
6 the certification services revolving fund. From July 1, 2010,
7 the fees under those sections shall be deposited into the
8 agriculture inspection and certification special fund.

9 (b) On the effective date of this Act:

10 (1) All moneys in the certification services revolving
11 fund on June 30, 2010, shall be transferred to the
12 agriculture inspection and certification special fund;

13 (2) All unpaid obligations of the certification services
14 revolving fund on June 30, 2010, shall become payable
15 from the agriculture inspection and certification
16 special fund; and

17 (3) The certification services revolving fund shall cease
18 to exist.

19 SECTION 17. (a) Between July 1, 2010, and September 30,
20 2010, the department of agriculture shall adopt new or amend
21 existing rules to impose or increase fees authorized to be
22 charged under section 141-4, chapter 144, part I of chapter 145,



1 and chapter 147, Hawaii Revised Statutes, without regard to the
2 public notice and public hearing requirements of section 91-3,
3 Hawaii Revised Statutes, the small business impact review
4 requirements of chapter 201M, Hawaii Revised Statutes, or the
5 limit on fee increases under section 92-28, Hawaii Revised
6 Statutes. The department shall set the fees through a two-
7 tiered increase at amounts intended to generate sufficient
8 revenues to pay the operation and maintenance costs of
9 implementing the agriculture inspection and certification
10 programs of chapter 141, chapter 144, part I of chapter 145, and
11 chapter 147, Hawaii Revised Statutes, and central services and
12 departmental administrative expense assessments of section 36-27
13 and section 36-30, Hawaii Revised Statutes.

14 (b) If, by September 30, 2010, the department of
15 agriculture has not complied with subsection (a), then the fee
16 charged for each inspection or certification conducted under
17 authority of section 141-4, chapter 144, part I of chapter 145,
18 and chapter 147 shall be \$65 per hour or as established under
19 cooperative agreement with the United States Department of
20 Agriculture or other governmental agencies commencing October 1,
21 2010, and the fee charged for licensure of or license renewal



1 for a commission merchant, dealer, broker, agent, processor, or
2 retail merchant shall be:

3 (1) \$80 for a commission merchant, dealer, broker, agent,
4 or processor;

5 (2) \$20 for a retail merchant; and

6 (3) \$10 for each branch store,

7 commencing October 1, 2010.

8 (c) Any subsequent amendments to the rules adopted or
9 amended pursuant to subsection (a) or the fee established under
10 subsection (b) shall be subject to all applicable provisions of
11 chapter 91, chapter 201M, and section 92-28, Hawaii Revised
12 Statutes.

13 SECTION 18. Notwithstanding section 2 of this bill, there
14 is appropriated out of the general revenues of the State of
15 Hawaii the sum of \$1,400,000 or so much thereof as may be
16 necessary for fiscal year 2010-2011 for the agriculture
17 inspection and certification program of the department of
18 agriculture; provided that funding shall cease when the
19 collection into the agriculture inspection and certification
20 special fund becomes sufficient to carry out the purposes of
21 this bill.



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

3 SECTION 19. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 20. This Act shall take effect on July 1, 2010.



Report Title:

Agriculture Inspection and Certification; Inspectors

Description:

Establishes the Agriculture Inspection and Certification Special Fund under the Department of Agriculture for the inspection, certification, weighing, or grading of agricultural commodities that are to be imported into, exported from, or shipped within the state. Deposits all fees, civil penalties, and other moneys collected by DOA into the Special Fund. Allows DOA to enter into agreements with government and private agencies to hire and pay inspectors to perform certification and audit services, maintain food safety, and establish and maintain an Internet food safety promotional and reporting system. Repeals the Certification Services Revolving Fund. Requires the establishment or increase of certain fees to cover the operation and maintenance costs of agriculture inspection and certification programs, and central services and departmental administrative expense assessments. Appropriates funds for DOA's agriculture inspection and certification program. (HB2290 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

