



EXECUTIVE CHAMBERS  
HONOLULU

NEIL ABERCROMBIE  
GOVERNOR

June 19, 2014

**GOV. MSG. NO. 1206**

The Honorable Donna Mercado Kim,  
President  
and Members of the Senate  
Twenty-Seventh State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki,  
Speaker and Members of the  
House of Representatives  
Twenty-Seventh State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

This is to inform you that on June 19, 2014, the following bill was signed into law:

HB1514 HD1 SD2 CD1

RELATING TO AGRICULTURE  
**ACT 105 (14)**

*Aloha*  
*Sincerely,*  
*Neil Abercrombie*

NEIL ABERCROMBIE  
Governor, State of Hawaii

Approved by the Governor

on JUN 19 2014

HOUSE OF REPRESENTATIVES  
TWENTY-SEVENTH LEGISLATURE, 2014  
STATE OF HAWAII

**ACT 105**  
**H.B. NO.** 1514  
H.D. 1  
S.D. 2  
C.D. 1

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# A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1           SECTION 1. The legislature finds that coffee is one of the  
2 largest agricultural crops in the State and is a highly valued  
3 commodity in Hawaii's economy. In recent years, the coffee  
4 berry borer, a small beetle, has infested coffee crops in the  
5 Kona and Kau regions, and this infestation threatens the  
6 viability of Hawaii's entire coffee industry. The legislature  
7 also finds that ongoing efforts to control the coffee berry  
8 borer are critical, and the State must take immediate action to  
9 support these efforts.

10           The legislature also finds that application of the organic  
11 biological pesticide containing the fungus *Beauveria bassiana* is  
12 known to cause high mortality in the coffee berry borer, and is  
13 a primary method of pest control for the coffee berry borer in  
14 other coffee-growing regions of the world. Research shows that  
15 subsidizing the cost of pesticides is an effective and necessary  
16 incentive to encourage farmers to adopt recommended pest  
17 management strategies.



1           The purpose of this Act is to appropriate moneys for the  
2 development and implementation of a pesticide subsidy program to  
3 assist coffee growers with offsetting the cost of purchasing  
4 pesticides containing *Beauveria bassiana*, a naturally occurring  
5 fungus known to cause mortality in coffee berry borers.

6           SECTION 2. Section 149A-13.5, Hawaii Revised Statutes, is  
7 amended by amending subsections (a) and (b) to read as follows:

8           "(a) There is established within the treasury of the  
9 State, a pesticide use revolving fund. The fund shall be  
10 administered by the department for the purposes of this section.  
11 The fund shall consist of:

12           (1) Licensing and registration fees and charges collected  
13 by the department under section 149A-13(b); [~~and~~]

14           (2) All fees collected by the department through the  
15 collection of training fees in accordance with  
16 subsection (c) [~~-~~]; and

17           (3) Funds appropriated for the pesticide subsidy program  
18 established under Act \_\_\_\_\_, Session Laws of Hawaii 2014.

19           (b) Moneys in the pesticide use revolving fund shall be  
20 expended by the department to support the pesticide program's  
21 registration and licensing, certification and education, and  
22 compliance monitoring activities. The department shall also



1 expend revolving fund moneys on the establishment of pesticide  
2 training workshops, educational programs, development of  
3 integrated pest management strategies, the pesticide subsidy  
4 program created under Act , Session Laws of Hawaii 2014, and  
5 other services for pesticide users such as the agricultural pest  
6 control industry, the structural pest control industry, and  
7 consumer users of pesticides, which provide pesticide  
8 instruction in areas including the collection, disposal, and  
9 recycling of pesticide containers and all other pesticide  
10 services deemed necessary by the department. Moneys from the  
11 revolving fund may be used for personnel, services, materials,  
12 and equipment for the purposes of this section.

13 Moneys expended by the department from the pesticide use  
14 revolving fund for training workshops, educational programs, and  
15 other services for the agricultural pest control industry, the  
16 structural pest control industry, and consumer groups shall be  
17 expended in a manner that appropriately addresses the needs of  
18 each category of pesticide user."

19 SECTION 3. (a) There is established in the department of  
20 agriculture a pesticide subsidy program to be administered by  
21 the department for five years beginning on July 1, 2014, and  
22 ending on June 30, 2019. The department shall grant subsidies



1 to coffee growers to assist them in offsetting the costs of  
2 purchasing any pesticide that is listed by the department  
3 pursuant to subsection (f).

4 (b) Applications for subsidies by coffee growers shall be  
5 submitted on a form furnished by the department and shall be  
6 filed with accompanying documentation of the costs of purchasing  
7 the pesticide; provided that:

8 (1) The applicant shall indemnify and hold harmless the  
9 State and its officers, agents, and employees from all  
10 claims arising out of or resulting from the pesticide  
11 purchased; and

12 (2) The department may request an applicant to provide  
13 necessary information for the purposes of verifying  
14 the size or sale weight, as applicable, and amount of  
15 the pesticide purchased.

16 (c) Documentation of pesticide costs, as requested by the  
17 department, shall be filed for pesticides purchased within the  
18 immediate preceding fiscal year of filing and shall be effective  
19 for pesticide costs incurred after June 30, 2014, and before  
20 July 1, 2019.

21 (d) Funds shall be disbursed from the pesticide use  
22 revolving fund established under section 149A-13.5, Hawaii



1 Revised Statutes, upon approval on an annual basis by the  
2 department to the coffee grower for up to seventy-five per cent  
3 of the costs incurred for the purchase of the pesticide before  
4 July 1, 2016, and for up to fifty per cent of the costs incurred  
5 after June 30, 2016, and before July 1, 2019.

6 (e) The department shall aggregate the total subsidy  
7 applications pursuant to this section and divide and distribute  
8 the available subsidy funds on a pro rata basis; provided that  
9 no single coffee grower shall receive subsidies that are more  
10 than \$600 per year per acre of land in coffee production;  
11 provided further that no single coffee grower shall receive  
12 subsidies that are more than \$9,000 per year.

13 (f) The department shall establish a list of pesticides  
14 that are registered with the Environmental Protection Agency and  
15 are licensed with the State that contain *Beauveria bassiana*, a  
16 fungus known to eradicate the coffee berry borer, as an active  
17 ingredient.

18 (g) Not later than twenty days prior to the convening of  
19 the regular session of 2019, the department shall submit a  
20 report of its findings and recommendations, including any  
21 proposed legislation, to the legislature on the results of the  
22 subsidy program and whether the program should be allowed to



1 expire or be extended, and if extended, with or without  
2 modification.

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

6 SECTION 4. There is appropriated out of the general  
7 revenues of the State of Hawaii the sum of \$500,000 or so much  
8 thereof as may be necessary for fiscal year 2014-2015 for  
9 deposit into the pesticide use revolving fund established under  
10 section 149A-13.5, Hawaii Revised Statutes.

11 There is appropriated out of the pesticide use revolving  
12 fund the sum of \$500,000 or so much thereof as may be necessary  
13 for fiscal year 2014-2015 for the department of agriculture to  
14 develop, operate, and implement a pesticide subsidy program  
15 established under section 3 of this Act; provided that the  
16 department of agriculture may expend up to \$50,000 to hire one  
17 temporary program specialist for the pesticide subsidy program.

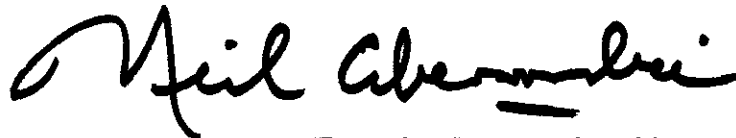
18 The sum appropriated shall be expended by the department of  
19 agriculture for the purposes of this Act.

20 SECTION 5. Statutory material to be repealed is bracketed  
21 and stricken. New statutory material is underscored.



1 SECTION 6. This Act shall take effect on July 1, 2014;  
2 provided that section 3 shall be repealed on June 30, 2019;  
3 provided further that the amendment made to section 149A-  
4 13.5(b), Hawaii Revised Statutes, under section 2 of this Act  
5 shall not be repealed when section 149A-13.5(b), Hawaii Revised  
6 Statutes, is repealed and reenacted on June 30, 2015, by section  
7 4 of Act 168, Session Laws of Hawaii 2010.

APPROVED this 19 day of JUN, 2014



GOVERNOR OF THE STATE OF HAWAII

