



EXECUTIVE CHAMBERS  
HONOLULU

NEIL ABERCROMBIE  
GOVERNOR

**GOV. MSG. NO. 1279**

July 1, 2014

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

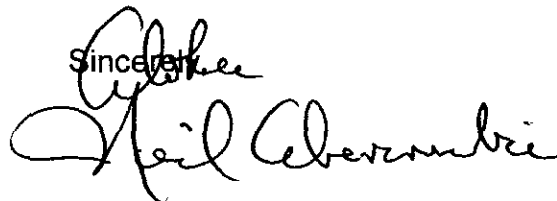
The Honorable Joseph M. Souki,  
Speaker and Members of the  
House of Representatives  
Twenty-Seventh State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

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

This is to inform you that on July 1, 2014, the following bill was signed into law:

HB2009 SD1 CD1

RELATING TO THE MILK CONTROL  
**ACT 176 (14)**

Sincerely,  


NEIL ABERCROMBIE  
Governor, State of Hawaii

Approved by the Governor

on JUL 1 2014  
HOUSE OF REPRESENTATIVES  
TWENTY-SEVENTH LEGISLATURE, 2014  
STATE OF HAWAII

**ACT 176**  
**H.B. NO.** 2009  
S.D. 1  
C.D. 1

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# A BILL FOR AN ACT

RELATING TO THE MILK CONTROL.

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

1           SECTION 1. The legislature finds that the milk industry is  
2 of such importance to the economy of the State that it is in the  
3 public interest to safeguard and protect this industry. Milk  
4 provides an irreplaceable nutritional and dietary mainstay and  
5 is essential for the welfare and long-term benefit of the  
6 residents of the State, especially children and senior citizens.  
7 While the State's milk industry is privately owned and operated,  
8 the role of an impartial governmental agency is necessary to  
9 regulate and oversee the interaction between producers,  
10 processors, and if necessary, the retailers and distributors.  
11 Before the implementation of legislation to protect the State's  
12 milk industry, the milk industry struggled through years of  
13 turmoil and instability, culminating in a period of hostility  
14 between milk processors and producers that is referred to as the  
15 "Milk Wars of the 60s".

16           The purpose of this Act is to strengthen the milk industry  
17 in the State by establishing a minimum reserve requirement in  
18 the milk control special fund that provides funding to cover all



1 the costs of administering the State's Milk Control Act and  
2 specifying audits as a contingency cost covered by the minimum  
3 reserve.

4 SECTION 2. Section 157-29, Hawaii Revised Statutes, is  
5 amended to read as follows:

6 "~~{}~~§157-29~~{}~~ **Milk control special fund.** There is  
7 established the milk control special fund to be administered by  
8 the board of agriculture. All moneys received by the board of  
9 agriculture as application fees and for licenses or otherwise  
10 under this chapter, and any state appropriations or other moneys  
11 made available to carry out the purposes of this chapter, shall  
12 be deposited into the special fund. All interest earned or  
13 accrued on moneys deposited in the special fund shall become  
14 part of the special fund. Moneys in the special fund shall be  
15 expended to cover all costs of administering this chapter  
16 including but not limited to the costs of salaries, fringe  
17 benefits, operating expenses, equipment, motor vehicles,  
18 contracts for services, and promotional expenses. Moneys in the  
19 special fund may be transferred to the general fund for salaries  
20 and fringe benefits of other state employees assisting in  
21 administering this chapter and other related costs. A reserve  
22 in an amount of not less than \$300,000 shall be maintained in




1 the special fund to cover contingency costs including but not  
2 limited to accrued vacation leave, audits, unemployment  
3 insurance, and workers' compensation."

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

6 SECTION 4. This Act shall take effect on July 1, 2014.

APPROVED this 1 day of JUL , 2014



GOVERNOR OF THE STATE OF HAWAII

