
A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1 SECTION 1. Chapter 141, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§141- Reimbursement transportation cost payment
5 program. (a) There is established within the department of
6 agriculture a reimbursement transportation cost payment program
7 to reimburse eligible producers for a portion of the cost to
8 transport eligible commodities or inputs used to produce an
9 eligible commodity.

10 (b) To be eligible to receive reimbursement payments under
11 the program, eligible producers shall:

12 (1) Submit an application to the department during a
13 specified period to be determined by the department
14 for each fiscal year;

15 (2) Provide proof of the amount of costs incurred for the
16 transportation of the eligible commodity or input,
17 pursuant to subsection (d), in a form to be determined
18 by the department;



1 (3) Comply with all conservation and wetland protection
2 requirements on all their land;

3 (4) Have an average non-agriculture related income of
4 \$900,000 or less; and

5 (5) Be a resident of the state.

6 (c) Reimbursement of transportation cost payments under
7 the program shall be calculated based on the amount of costs
8 incurred by an eligible producer for transportation of an
9 eligible commodity or input used to produce an eligible
10 commodity during a fiscal year and multiplied by the applicable
11 percentage of cost-of-living allowance for the applicable fiscal
12 year.

13 (d) Eligible producers shall submit their costs for
14 transportation for calculating reimbursement payments pursuant
15 to subsection (c) based on only one of the following methods per
16 reimbursement request:

17 (1) The actual transportation costs incurred by the
18 eligible producer as demonstrated by verifiable
19 records;

20 (2) A fixed rate established by the department that
21 reflects transportation rates applicable to certain



1 eligible commodities or inputs used to produce the
2 eligible commodity; or

3 (3) A set rate established by the department that reflects
4 a per cent of the total cost used to represent the
5 transportation cost incurred; provided that this
6 method shall be used only if the eligible commodities
7 or inputs do not have an established fixed rate or if
8 a breakdown of the transportation costs is not
9 available.

10 (e) Reimbursements shall be disbursed upon approval by the
11 department to each eligible producer based on an amount
12 calculated pursuant to subsection (c).

13 (f) The department shall begin accepting applications
14 beginning on July 1, 2019.

15 (g) The department shall adopt rules pursuant to
16 chapter 91 necessary to carry out the purposes of this section.

17 (h) For purposes of this section:

18 "Department" means the department of agriculture.

19 "Eligible commodity" shall consist of any of the following:

20 (1) Aquaculture;

21 (2) Feed;



- 1 (3) Fiber;
- 2 (4) Floriculture;
- 3 (5) Horticulture, including trees;
- 4 (6) Insects or products thereof; and
- 5 (7) Livestock, including elk, reindeer, bison, horses, and
- 6 deer.

7 "Eligible producers" means farmers and ranchers from all
 8 islands of the State, except Oahu, who ship their goods to Oahu
 9 or farmers and ranchers from any island of the State who export
 10 their eligible commodities out of the State; provided that
 11 commercial fisherman shall not be eligible producers."

12 SECTION 2. There is appropriated out of the general
 13 revenues of the State of Hawaii the sum of \$ or so
 14 much thereof as may be necessary for fiscal year 2017-2018 and
 15 the same sum or so much thereof as may be necessary for fiscal
 16 year 2018-2019 for the department of agriculture to issue
 17 reimbursements under the reimbursement transportation cost
 18 program.

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



1 SECTION 3. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$ or so
3 much thereof as may be necessary for fiscal year 2017-2018 and
4 the same sum or so much thereof as may be necessary for fiscal
5 year 2018-2019 for one full-time equivalent (1.0 FTE) program
6 coordinator position within the department of agriculture for
7 the reimbursement transportation cost payment program.

8 The sums appropriated shall be expended by the department
9 of agriculture for the purposes of this Act.

10 SECTION 4. New statutory material is underscored.

11 SECTION 5. This Act shall take effect on July 1, 2017.

12



Report Title:

Reimbursement Transportation Cost Payment Program; Department of Agriculture; Appropriation

Description:

Establishes a reimbursement transportation cost payment program within the DOA for geographically disadvantaged farmers and ranchers to reimburse eligible producers with a portion of the cost to transport eligible commodities or inputs used to produce an eligible commodity. Appropriates funds to the DOA for the program. Appropriates funds for 1.0 FTE program coordinator position. (SD1)

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