



GOV. MSG. NO. 1441

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

July 13, 2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirty-First State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

RE: SB2990 SD1 HD1 CD1

Pursuant to Section 16 of Article III of the State Constitution, SB2990 SD1 HD1 CD1, entitled "RELATING TO SUSTAINABLE AGRICULTURE." became law without my signature as ACT 312, Session Laws of Hawai'i 2022, on July 13, 2022.

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

THE SENATE
THIRTY-FIRST LEGISLATURE, 2022
STATE OF HAWAII

S.B. NO. 2990
S.D. 1
H.D. 1
C.D. 1

A BILL FOR AN ACT

RELATING TO SUSTAINABLE AGRICULTURE.

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

1 SECTION 1. The legislature finds that the use of cover
2 crops, green manure, and compost increases agricultural
3 productivity and aligns with the State's integrated
4 sustainability goals. Plants used for this purpose, including
5 grasses, legumes, and forbs, add nutrients to the soil, act as
6 windbreaks, assist with water retention, provide habitats for
7 beneficial insects, and help prevent soil erosion.

8 The legislature further finds that it is in the interest of
9 the State to incentivize the use of management practices that
10 enhance the quality and sustainability of Hawaii's agricultural
11 lands.

12 Accordingly, the purpose of this Act is to establish and
13 appropriate moneys for a cover crop reimbursement pilot program
14 to reimburse farming operations in the State for the costs of
15 acquiring cover crop seeds, green manure, or compost.

16 SECTION 2. (a) The department of agriculture shall
17 establish, implement, and administer a three-year cover crop
18 reimbursement pilot program to reimburse farming operations in



1 the State for the costs of acquiring cover crop seeds, green
2 manure, or compost.

3 (b) Each application for cost reimbursement shall be
4 submitted on a form furnished by the department of agriculture
5 and shall be accompanied by documentation of the costs of items
6 purchased, pursuant to subsection (c); provided that:

7 (1) The applicant shall indemnify and hold harmless the
8 State and its officers, agents, and employees from all
9 claims arising out of or resulting from the cover crop
10 seeds, green manure, or compost purchased; and

11 (2) The department of agriculture may request the
12 applicant to provide additional information for the
13 purposes of verifying the volume of cover crop seeds,
14 green manure, or compost purchased.

15 (c) Applications for reimbursement under the cover crop
16 reimbursement pilot program shall be filed for cover crop seeds,
17 green manure, and compost purchased within the fiscal year
18 immediately preceding the filing and shall be effective for
19 costs incurred for purchases after June 30, 2022, but before
20 July 1, 2025. Each application shall include a certification
21 that the amount for which the applicant seeks reimbursement has



1 not been nor will be reimbursed by any other governmental cover
2 crop incentive program, including the United States Department
3 of Agriculture, Natural Resources Conservation Service's
4 environmental quality incentives program and the conservation
5 stewardship program.

6 (d) If an application is approved, funds shall be
7 disbursed upon approval by the department of agriculture on an
8 annual basis to the farmer or rancher for up to seventy-five per
9 cent of the costs incurred for cover crop seeds, green manure,
10 or compost purchased after June 30, 2022, but before July 1,
11 2025.

12 (e) The department of agriculture shall convene a review
13 panel comprising knowledgeable representatives from the
14 department of agriculture, University of Hawaii at Manoa college
15 of tropical agriculture and human resources, and industry
16 organizations. The review panel shall screen and rate
17 applicants on the quality and appropriate use of their cover
18 crops and green manure and their composting practices. The
19 department shall aggregate the total reimbursement applications
20 pursuant to this section and distribute the available moneys
21 based on a ranking scale as determined by the review panel;



1 provided that a higher-ranked applicant shall receive a higher
2 rate of reimbursement than a lower-ranked applicant.

3 (f) There is established within the department of
4 agriculture a cover crop reimbursement pilot program manager
5 position, which shall be a full-time temporary position exempt
6 from the requirements of chapters 76 and 89, Hawaii Revised
7 Statutes. The cover crop reimbursement pilot program manager
8 shall receive a salary not to exceed \$50,000 per year. The
9 cover crop reimbursement pilot program manager shall possess a
10 requisite level of knowledge and expertise in the area of
11 program management necessary to carry out the duties of the
12 position. The cover crop reimbursement pilot program manager
13 shall:

- 14 (1) Facilitate the division and distribution of available
15 funds for reimbursement; and
16 (2) Manage the day-to-day coordination of the cover crop
17 reimbursement pilot program.

18 (g) Any action taken by the department of agriculture
19 pursuant to this section shall be exempt from the rulemaking
20 requirements of chapter 91, Hawaii Revised Statutes.



1 (h) The department of agriculture shall submit an interim
2 report of its findings and recommendations relating to
3 activities conducted pursuant to this Act, including any
4 proposed legislation, to the legislature no later than twenty
5 days prior to the convening of the regular session of 2025 and a
6 final report no later than twenty days prior to the convening of
7 the regular session of 2026. The report shall include the
8 department's recommendation on whether the pilot program should
9 be extended, with or without modifications.

10 (i) As used in this section:

11 "Compost" means a product of a composting process.

12 "Compostable materials" includes pre- and post-consumer
13 food waste, waste from animal food processing operations, green
14 waste, crop residues, and waste from vegetable food processing
15 operations and similar materials.

16 "Composting process" means a process in which organic
17 compostable materials are biologically decomposed under
18 controlled conditions to produce a stable humus-like mulch or
19 soil amendment, and includes:

20 (1) The receipt of materials;

21 (2) Primary processing;



1 (3) Decomposition activities; and

2 (4) Final processing for sale and marketing.

3 "Cover crop" and "green manure" mean the plants listed in
4 the cover crop and green manure database maintained by the
5 University of Hawaii at Manoa college of tropical agriculture
6 and human resources, except bermuda grass and other invasive or
7 fast-growing grasses.

8 "Farming operation" has the same meaning as in section
9 165-2, Hawaii Revised Statutes.

10 SECTION 3. There is appropriated out of the general
11 revenues of the State of Hawaii the sum of \$300,000 or so much
12 thereof as may be necessary for fiscal year 2022-2023 for the
13 department of agriculture to establish, implement, and
14 administer a cover crop reimbursement pilot program.

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

17 SECTION 4. This Act shall take effect on July 1, 2022.



S.B. NO. 2990
S.D. 1
H.D. 1
C.D. 1

APPROVED this day of , 2022

GOVERNOR OF THE STATE OF HAWAII

THE SENATE OF THE STATE OF HAWAI‘I

Date: May 3, 2022
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-First Legislature of the State of Hawai‘i, Regular Session of 2022.


President of the Senate


Clerk of the Senate

SB No. 2990, SD 1, HD 1, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 3, 2022
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-First Legislature of the State of Hawaii, Regular Session of 2022.



Scott K. Saiki
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives