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# A BILL FOR AN ACT

RELATING TO COMPOSTING.

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

1       SECTION 1. The legislature finds that, according to the  
2       United States Environmental Protection Agency and United States  
3       Department of Agriculture, food waste is the second-largest  
4       component that enters a waste stream and accounts for twenty-  
5       five per cent of all materials sent to landfills. The recycling  
6       of food waste into compost has environmental benefits, including  
7       improved soil health, increased drought resistance, and  
8       reduction in the need for supplemental water, fertilizers, and  
9       pesticides.

10       The legislature further finds that the application of  
11       compost and organic matter to soil sequesters carbon from the  
12       atmosphere, forming the largest land-based carbon sink, and  
13       mitigates climate change through the reduction of greenhouse gas  
14       emissions. The legislature believes that food waste diversion  
15       would help move the State toward the Aloha+ Challenge commitment  
16       of seventy per cent waste stream reduction by 2025.



1       The legislature additionally finds that Act 89, Session  
2       Laws of Hawaii 2018, required the department of agriculture to  
3       establish a three-year compost reimbursement pilot program to  
4       provide reimbursements to farmers and ranchers who purchased  
5       compost from a certified processor, dealer, retailer, or  
6       wholesaler licensed to do business in the State. The pilot  
7       program was not extended and ended on December 31, 2021.

8       Accordingly, the purpose of this Act is to appropriate  
9       moneys to the department of agriculture to reestablish and  
10      implement a compost reimbursement pilot program to assist  
11      farmers and ranchers in the State with affordable compost  
12      material.

13      SECTION 2. (a) The department of agriculture shall  
14      establish and implement a three-year compost reimbursement pilot  
15      program to provide cost reimbursement to farming operations in  
16      the State to assist farmers and ranchers in meeting the costs of  
17      acquiring compost purchased from a certified processor, dealer,  
18      retailer, or wholesaler licensed to do business in the State.

19      (b) Applications for cost reimbursements shall be  
20      submitted on a form furnished by the department and shall be



1 filed with accompanying documentation of the costs of purchasing  
2 compost pursuant to subsection (c); provided that:

3 (1) The applicant shall indemnify and hold harmless the  
4 State and its officers, agents, and employees from all  
5 claims arising out of or resulting from the compost  
6 purchased; and

7 (2) The department may request an applicant to provide  
8 necessary information for the purposes of verifying  
9 the size or sale weight, as applicable, and amount of  
10 compost purchased.

11 (c) Documentation of compost costs, requested by the  
12 department, shall be filed for compost purchased within the  
13 fiscal year immediately preceding the filing and be effective  
14 for compost costs incurred after June 30, 2022, and before  
15 July 1, 2025.

16 (d) Funds shall be dispersed upon approval on an annual  
17 basis by the department to the farmer or rancher for up to fifty  
18 per cent of the costs incurred for the purchase of the compost  
19 after June 30, 2022, and before July 1, 2025.

20 (e) The department shall aggregate the total reimbursement  
21 applications pursuant to this section and divide and distribute



1 the available moneys on a first come, first served basis;  
2 provided that no single farmer or rancher shall receive a  
3 reimbursement total of more than \$ per year.

4 (f) There is established within the department a compost  
5 reimbursement pilot program manager position, which shall be a  
6 full-time, temporary position exempt from chapters 76 and 89,  
7 Hawaii Revised Statutes. The compost reimbursement pilot  
8 program manager shall possess a requisite level of knowledge and  
9 expertise in the area of program management necessary to carry  
10 out the duties of the position. The compost reimbursement pilot  
11 program manager shall:

12 (1) Facilitate the division and distribution of available  
13 costs for reimbursement; and

14 (2) Manage the day-to-day coordination of the compost  
15 reimbursement pilot program.

16 The compost reimbursement pilot program manager shall receive a  
17 salary not to exceed \$ per year.

18 (g) Any action taken by the department pursuant to this  
19 section shall be exempt from the rulemaking requirements of  
20 section 91-3, Hawaii Revised Statutes.

21 (h) As used in this section:



1 "Compost" means a product of a process in which organic  
2 materials are biologically decomposed under controlled  
3 conditions to produce a stable humus-like mulch or soil  
4 amendment. The composting process includes but is not limited  
5 to the receipt of materials, primary processing, decomposition  
6 activities, and final processing for sale and marketing.  
7 Compostable materials shall include pre- and post-consumer food  
8 waste, waste from animal food processing operations, green  
9 waste, crop residues, and waste from vegetable food processing  
10 operations and similar materials.

11 "Department" means the department of agriculture.

12 "Farming operation" shall have the same meaning as in  
13 section 165-2, Hawaii Revised Statutes.

14 SECTION 3. The department of agriculture shall submit a  
15 report of its findings and recommendations, including any  
16 proposed legislation, regarding the results of the compost  
17 reimbursement pilot program and whether the program should be  
18 reinstated, with or without modifications, to the legislature no  
19 later than twenty days prior to the convening of the regular  
20 session of 2025.



SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2022-2023 for department of agriculture to develop and implement a compost reimbursement pilot program pursuant to section 2 of this Act; provided that the department of agriculture may expend:

(1) \$ per year to establish one full-time, temporary program manager position for the compost reimbursement pilot program; and

(2) \$ per year for program and administrative costs.

The sum appropriated shall be expended by the department of agriculture for the purposes of this Act; provided that this appropriation shall not lapse at the end of fiscal year 2022-2023; provided further that all moneys that are unencumbered as of June 30, 2025, shall lapse as of that date.

SECTION 5. This Act shall take effect on July 1, 2050; provided that section 2 of this Act shall be repealed on December 31, 2025.



**Report Title:**

Compost Reimbursement Pilot Program; Compost Reimbursement Pilot Program Manager; Report; Appropriation

**Description:**

Requires the Department of Agriculture to establish a three-year compost reimbursement pilot program to provide reimbursements to farmers and ranchers who purchase compost from a certified processor, dealer, retailer, or wholesaler licensed to do business in the State. Establishes a temporary compost reimbursement pilot program manager position. Requires the Department to submit a report to the Legislature. Appropriates moneys. Effective 7/1/2050. (SD1)

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