
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 The purpose of this Act is to clarify the requirements for
13 participation under the cover crop reimbursement pilot program.

14 SECTION 2. Act 312, Session Laws of Hawaii 2022, section
15 2, is amended as follows:

16 1. By amending subsections (a) and (b) to read:



1 "(a) The department of agriculture shall establish,
2 implement, and administer a three-year cover crop reimbursement
3 pilot program to reimburse farming operations in the State for
4 the costs of acquiring cover crop seeds, green manure, or
5 compost. The department of agriculture shall publicly post
6 information on the cover crop reimbursement pilot program to
7 ensure that all farming operations in the State have equal
8 opportunity to participate in the program.

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

13 (1) The applicant shall indemnify and hold harmless the
14 State and its officers, agents, and employees from all
15 claims arising out of or resulting from the cover crop
16 seeds, green manure, or compost purchased; [~~and~~]

17 (2) The department of agriculture may request the
18 applicant to provide additional information for the
19 purposes of verifying the volume of cover crop seeds,
20 green manure, or compost purchased[~~-~~];



- 1 (3) Applications for grants shall be made to the
2 department of agriculture and contain any information
3 the department of agriculture requires. At a minimum,
4 the applicant shall show:
- 5 (A) The name of the requesting entity or individual;
6 (B) The purpose for the grant;
7 (C) The service to be supported by the grant;
8 (D) The target group to be benefited;
9 (E) The cost of the grant; and
10 (F) That the grant shall be used for activities that
11 are consistent with the purposes of this program;
- 12 (4) Grants shall only be awarded if:
- 13 (A) The applicant has applied for or received all
14 applicable licenses and permits, if required to
15 conduct the activities or provide the services
16 for which a grant is awarded;
- 17 (B) The applicant agrees to comply with applicable
18 federal, state, and county laws;
- 19 (C) The grant is not used for purposes of
20 entertainment or perquisites;



1 (D) All activities and improvements undertaken with
2 funds received comply with all applicable
3 federal, state, and county statutes and
4 ordinances, including applicable building codes
5 and agency rules; and

6 (E) The applicant procures sufficient insurance to
7 provide indemnification if requested to do so by
8 the department of agriculture;

9 (5) To receive a grant, an applicant shall:

10 (A) Be:

11 (i) A for-profit entity incorporated under the
12 laws of the State;

13 (ii) A nonprofit community-based organization
14 determined to be exempt from federal income
15 taxation by the Internal Revenue Service;

16 (iii) A cooperative association; or

17 (iv) An individual, who in the department of
18 agriculture's determination, is able to
19 provide the services or activities proposed
20 in the application for a grant;



- 1 (B) In the case of a nonprofit organization, have a
2 governing board whose members have no material
3 conflict of interest and serve without
4 compensation, have bylaws or policies that
5 describe the manner in which business is
6 conducted and policies relating to nepotism and
7 management of potential conflict of interest
8 situations, and not employ or contract with two
9 or more members of a family or kin of the first
10 or second degree of consanguinity unless
11 specifically permitted by the department of
12 agriculture;
- 13 (C) In the case of a for-profit entity, nonprofit
14 community-based organization, or cooperative
15 association, be compliant with state laws,
16 including chapters 237, 383, 386, 392, and 393
17 and section 103D-310(c), Hawaii Revised Statutes;
- 18 (D) Agree to make available to the department of
19 agriculture all records the applicant may have
20 relating to the operation of the applicant's
21 activity, business, or enterprise to allow the



1 department of agriculture to monitor the
2 applicant's compliance with the purpose of this
3 program; and

4 (E) Establish, to the satisfaction of the department
5 of agriculture, that sufficient funds are
6 available for the effective operation of the
7 activity, business, or enterprise for the purpose
8 for which the grant is awarded;

9 (6) Every grant shall be:

10 (A) Monitored by the department of agriculture to
11 ensure compliance with this program and the
12 purposes and intent of the grant; and

13 (B) Evaluated annually to determine whether the grant
14 attained the intended results in the manner
15 contemplated; and

16 (7) Grants made by the department of agriculture under
17 this Act may be made without regard to chapters 103D
18 and 103F, Hawaii Revised Statutes; provided that the
19 department shall ensure transparency in the
20 application process."

21 2. By amending subsections (d) and (e) to read:



1 "(d) If an application is approved, funds shall be
2 disbursed upon approval by the department of agriculture on an
3 annual basis to the farmer or rancher for up to seventy-five per
4 cent of the costs incurred for cover crop seeds, green manure,
5 or compost purchased after June 30, 2022, but before July 1,
6 2025. The department of agriculture shall publicly post any
7 grant awarded under the cover crop reimbursement pilot program.

8 (e) The department of agriculture shall convene a review
9 panel to be placed within the department of agriculture
10 comprising knowledgeable representatives from the department of
11 agriculture, University of Hawaii at Manoa college of tropical
12 agriculture and human resources, and industry organizations.
13 The review panel shall screen and rate applicants on the quality
14 and appropriate use of their cover crops and green manure and
15 their composting practices. The department of agriculture shall
16 aggregate the total reimbursement applications pursuant to this
17 section and distribute the available moneys based on a ranking
18 scale as determined by the review panel; provided that a higher-
19 ranked applicant shall receive a higher rate of reimbursement
20 than a lower-ranked applicant."



1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect on June 30, 3000.



Report Title:

Department of Agriculture; Cover Crop Reimbursement Pilot Program

Description:

Clarifies the requirements for participation under the cover crop reimbursement pilot program. Effective 6/30/3000. (HD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

