JOSH GREEN, M.D. GOVERNOR KE KIA'ĀINA



GOV. MSG. NO. 1226

EXECUTIVE CHAMBERS KE KE'ENA O KE KIA'ĀINA

May 29, 2025

The Honorable Ronald D. Kouchi President of the Senate, and Members of the Senate Thirty-Third State Legislature State Capitol, Room 409 Honolulu, Hawai'i 96813 The Honorable Nadine Nakamura Speaker, and Members of the House of Representatives Thirty-Third State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Aloha President Kouchi, Speaker Nakamura, and Members of the Legislature:

This is to inform you that on May 29, 2025, the following bill was signed into law:

H.B. NO. 1291, H.D. 2, S.D. 1, C.D. 1 RELATING TO AGRICULTURE. ACT 126

Mahalo,

h Green M.D.

Jòsh Green, M.D. Governor, State of Hawaiʻi

Approved by the Governor

on <u>MAY 2 9 2025</u>

HOUSE OF REPRESENTATIVES THIRTY-THIRD LEGISLATURE, 2025 STATE OF HAWAII

ACT 126 H.B. NO. ¹²⁹¹ H.D. 2 S.D. 1 C.D. 1

A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

SECTION 1. The legislature finds that coffee is the
 State's second most lucrative agricultural crop, valued by the
 United States Department of Agriculture at up to \$64,300,000
 annually, with additional upstream and downstream impacts that
 include employment, land preservation, and tourism.

6 The legislature further finds that Hawaii-grown coffee is 7 among the highest priced coffee sold anywhere in the world, largely due to the high cost of production and its reputation 8 9 for outstanding quality. As such, the State's coffee industry 10 is susceptible to fraud when less expensive coffees are falsely 11 labeled as originating from Hawaii. Currently, state law 12 imposes penalties for the false labeling (counterfeiting) of 13 Hawaii-grown coffee in cherry and parchment form, but the fraud 14 of coffee counterfeiting has been almost exclusively committed 15 in roasted coffee products. Coffee counterfeiting undermines 16 Hawaii's coffee farmers by misrepresenting an increase in 17 supply, thereby creating downward price pressure and value

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depreciation in the marketplace. Additionally, further harm
 occurs when inferior products are introduced into the supply
 chain, thereby undermining Hawaii's hard-fought brand identity
 for high quality crops.

5 Accordingly, the purpose of this Act is to deter coffee 6 counterfeiting by expanding the offense of false labeling of 7 Hawaii-grown coffee to include roasted coffee and enhancing the 8 penalties for the false labeling of Hawaii-grown coffee with 9 regard to its geographic origin through the imposition of a 10 mandatory minimum fine and specification that each act of false 11 labeling is a distinct and separate offense.

SECTION 2. Section 708-871.5, Hawaii Revised Statutes, isamended to read as follows:

"[+]\$708-871.5[+] False labeling of Hawaii-grown coffee.
(1) A person commits the offense of false labeling of
Hawaii-grown coffee if the person knowingly transports,
distributes, advertises, sells, or possesses with the intent to
sell Hawaii-grown green coffee, cherry coffee, [or] parchment
coffee, or roasted coffee that is falsely labeled with regard to
the geographic origin of the Hawaii-grown coffee.

21 (2) For the purposes of this section:

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1	"Cherry coffee" means the unprocessed fruit of the coffee		
2	plant.		
3	"Geographic origin" means the geographic areas designated		
4	as follows:		
- 5	(a) Hamakua is the Hamakua district on the island of		
6	Hawaii, as designated by the State of Hawaii tax map;		
7	(b) Hawaii is the State of Hawaii;		
8	(c) Kau is the Kau district on the island of Hawaii, as		
9	designated by the State of Hawaii tax map;		
10	(d) Kauai is the island of Kauai;		
11	(e) Kona is the north Kona and south Kona districts on the		
12	island of Hawaii, as designated by the State of Hawaii		
13	tax map;		
14	(f) Maui is the island of Maui;		
15	(g) Molokai is the island of Molokai; and		
16	(h) Oahu is the island of Oahu.		
17	"Green coffee" means the agricultural commodity comprised		
18	of green coffee beans.		
19	"Parchment coffee" means the dried product that remains		
20	when coffee cherries are processed by removing the coffee seeds		
21	from the pulp.		

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1	"Roasted coffee" means a product that results from heating
2	the cherry coffee seeds to augment aroma and flavor.
3	(3) False labeling of Hawaii-grown coffee is a class C
4	felony. In addition to any penalties imposed pursuant to
5	section 706-605, the court shall impose on any defendant
6	convicted of false labeling of Hawaii-grown coffee a mandatory
7	minimum fine of \$7,500 for each separate offense. Each act of
8	false labeling of Hawaii-grown coffee shall constitute a
9	distinct and separate offense. The mandatory minimum fine
10	imposed shall not be suspended or waived."
11	SECTION 3. This Act does not affect rights and duties that
12	matured, penalties that were incurred, and proceedings that were
13	begun before its effective date.
14	SECTION 4. Statutory material to be repealed is bracketed
15	and stricken. New statutory material is underscored.
16	SECTION 5. This Act shall take effect on July 1, 2025.



H.B. NO. ¹²⁹¹ H.D. 2 S.D. 1 C.D. 1

APPROVED this 29th day of May , 2025

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GOVERNOR OF THE STATE OF HAWAII

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 30, 2025 Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Third Legislature of the State of Hawaii, Regular Session of 2025.

Mudine K. Muhm

Nadine K. Nakamura Speaker House of Representatives

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Brian L. Takeshita Chief Clerk House of Representatives

THE SENATE OF THE STATE OF HAWAI'I

Date: April 30, 2025 Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate

of the Thirty-Third Legislature of the State of Hawai'i, Regular Session of 2025.

President of the Senate

Clerk of the Senate