

ACT 166

H.B. NO. 1148

A Bill for an Act Relating to the Governor's Agriculture Coordinating Committee.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature recognizes that due to increased competition and changes in the global market, many traditional agricultural users in Hawaii are facing declining economic prospects in the foreseeable future. The closures of several sugar plantations in recent years throughout the State emphasize the need for a concerted effort to plan for the future use of these large acreages of vacant agricultural lands.

The legislature finds that these events offer an opportunity to transform agriculture from sugar and pineapple to an expanded, fully-diversified, and environmentally-enhancing industry that is competitive in global markets. Opportunities for such a transformation exist due to the expanded availability of valuable agricultural lands, water, and infrastructure assets that must be preserved and utilized to keep these lands in agricultural use, thereby strengthening and maintaining the State's economy and preserving open space.

The legislature further finds that such a transformation is necessary for economic diversity and growth; maintenance of the stability of rural communities; and public health and safety; and may result in more products being produced for the local market, thereby reducing the need for those products to be imported into the State and more products for export, thereby injecting more dollars into the State's economy.

The purpose of this Act is to:

- (1) Abolish the governor's agriculture coordinating committee;

- (2) Transfer the functions and duties of the governor's agriculture coordinating committee to the board of agriculture, and upon completion of the Hawaii agribusiness plan and upon approval of the plan by the board of the agribusiness development corporation, transfer the functions, duties, positions, and funding of the governor's agriculture coordinating committee to the agribusiness development corporation;
- (3) Increase the members of the board of agriculture to ten members to reflect those members who are currently members of the governor's agriculture coordinating committee; and
- (4) Allow fiscal flexibility to:
 - (a) Maximize the use of agriculture-related funds;
 - (b) Realize cost-savings; and
 - (c) Provide for agricultural emergency needs.

The abolition of the governor's agriculture coordinating committee consolidates public resources devoted to agriculture, allowing these resources to be more efficiently and effectively deployed. This transfer also provides more flexibility in meeting the challenges involved in the transformation of agriculture within the State of Hawaii.

SECTION 2. Section 26-16, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The department of agriculture shall be headed by an executive board to be known as the board of agriculture.

The board shall consist of [eight] ten members[, one];

(1) One who shall be a resident of the county of Hawaii[, one];

(2) One who shall be a resident of the county of Maui[, one];

(3) One who shall be a resident of the county of Kauai[, four];

(4) Four at large[, and the];

(5) The chairperson of the board of land and natural resources, who shall serve as an ex officio voting member[.];

(6) The director of business, economic development, and tourism, who shall serve as an ex officio voting member; and

(7) The dean of the University of Hawaii college of tropical agriculture and human resources, who shall serve as an ex officio voting member.

The majority of the members of the board shall be from the agricultural community or the agricultural support sector. The appointment, tenure, and removal of the members and the filling of vacancies on the board shall be as provided in section 26-34. The governor shall appoint a chairperson of the board from the members.”

SECTION 3. Section 141-2, Hawaii Revised Statutes, is amended to read as follows:

“§141-2 Rules. Subject to chapter 91 the department of agriculture shall [make] adopt, amend, and repeal rules not inconsistent with law, for and concerning:

(1) The introduction, transportation, and propagation of trees, shrubs, herbs, and other plants;

(2) The quarantine, inspection, fumigation, disinfection, destruction, or exclusion, either upon introduction into the State, or at any time or place within the State, of any nursery-stock, tree, shrub, herb, vine, cut-flower, cutting, graft, scion, bud, seed, leaf, root, or rhizome; any nut, fruit, or vegetable; any grain, cereal, or legume in the natural or raw state; any moss, hay, straw, dry-grass, or other forage; any unmanufactured log, limb, or timber; or any other plant growth or plant

product unprocessed or in the raw state; any sand, soil, or earth; any live bird, reptile, insect, or other animal, in any stage of development, that is in addition to the so-called domestic animals, which are provided for in section 142-2; and any box, barrel, crate, or other containers in which the articles, substances, or objects have been transported or contained, and any packing material used in connection therewith, which is or may be diseased or infested with insects or likely to assist in the transmission or dissemination of any insect or plant disease injurious, harmful, or detrimental, or likely to become injurious, harmful, or detrimental to the agricultural or horticultural industries or the forests of the State, or which is or may be in itself injurious, harmful, or detrimental to the same (included therein may be rules governing the shipping of any of the articles, substances, or objects enumerated above in this section between different localities on any one of the islands within the State);

- (3) The prohibition of importation into the State, from any or all foreign countries, or from other parts of the United States, or the shipment from one island within the State to another island therein, or the transportation from one part or locality of any island to another part or locality of the same island, of any specific article, substance, or object or class of articles, substances or objects, among those enumerated above in this section, which is diseased or infested with insects or likely to assist in the transmission or dissemination of any insect or plant disease injurious, harmful, or detrimental or likely to be injurious, harmful, or detrimental to the agricultural or horticultural industries, or the forests of the State, or which is or may be in itself injurious, harmful, or detrimental to the same;
- (4) The manner in which agricultural product promotion and research activities may be undertaken, after coordinating with the [governor's agriculture coordinating committee.] agribusiness development corporation.

All rules [made as aforesaid,] adopted under this section shall have the force and effect of law."

SECTION 4. Section 201-3, Hawaii Revised Statutes, is amended to read as follows:

"§201-3 Specific research and promotional functions of the department.

Without prejudice to its general functions and duties the department of business, economic development, and tourism shall have specific functions in the following areas:

- (1) Agricultural development. The department shall:
 - (A) Conduct surveys and feasibility studies to determine the need for and value of additional research in the production of agricultural commodities, and the processing and marketing of agricultural food products;
 - (B) Promote an informational program directed to the consuming public both in Hawaii and in the mainland United States relative to the qualities of agricultural commodities produced in Hawaii and in the maximum utilization of same, including processed agricultural food products; and
 - (C) Make grants to and contracts with appropriate agencies, firms, or individuals for surveys, studies, research, and promotion.

With respect to agricultural development, the department's activities shall be consistent with the policies, programs, and activities of the [governor's agriculture coordinating committee.] board of agriculture and the agribusiness development corporation;

- (2) Industrial development. The department shall determine through technical and economic surveys the profit potential of new or expanded industrial undertakings; develop through research projects and other means new and improved industrial products and processes; promote studies and surveys to determine consumer preference as to design and quality and to determine the best methods of packaging, transporting, and marketing the State's industrial products; disseminate information to assist the present industries of the State, to attract new industries to the State, and to encourage capital investment in present and new industries in the State; assist associations of producers and distributors of industrial products to introduce such products to consumers; and make such grants or contracts as may be necessary or advisable to accomplish the foregoing[.];
- (3) Land development. The department shall encourage the most productive use of all land in the State in accordance with a general plan developed by the department; encourage the improvement of land tenure practices on leased private lands; promote an informational program directed to landowners, producers of agricultural and industrial commodities, and the general public regarding the most efficient and most productive use of the lands in the State; and make such grants or contracts as may be necessary or advisable to accomplish the foregoing[.];
- (4) Credit development. The department shall conduct a continuing study of agricultural and industrial credit needs; encourage the development of additional private and public credit sources for agricultural and industrial enterprises; promote an informational program to acquaint financial institutions with agricultural and industrial credit needs and the potential for agricultural and industrial expansion, and inform producers of agricultural and industrial products as to the manner in which to qualify for loans; and make such grants or contracts as may be necessary or advisable to accomplish the foregoing[.]; and
- (5) Promotion. The department shall disseminate information developed for or by the department pertaining to economic development to assist present industry in the State, attract new industry and investments to the State, and assist new and emerging industry with good growth potential or prospects in jobs, exports, and new products. The industrial and economic promotional activities of the department may include the use of literature, advertising, demonstrations, displays, market testing, lectures, travel, motion picture and slide films, and such other promotional and publicity devices as may be appropriate.

The department shall be the central agency to coordinate film permit activities in the State."

SECTION 5. Chapter 164, Hawaii Revised Statutes, is repealed.

SECTION 6. There is established within the department of agriculture a program ID for agricultural research, marketing, and promotion. As used in this section, "program ID" means the unique identifier for a specific program, and consists of the abbreviation for the organization responsible for carrying out the program, followed by the organization number for the program.

SECTION 7. All rights, powers, functions, and duties of the governor's agriculture coordinating committee shall be transferred to the board of agriculture; provided that all rights, powers, functions, and duties of the governor's agriculture coordinating committee, which were transferred to the board of agriculture, shall be transferred to the agriculture development corporation upon:

- (1) Completion of the Hawaii agribusiness plan under section 163D-5, Hawaii Revised Statutes; and
- (2) Approval of the plan by the board of directors of the agribusiness development corporation.

All officers and employees whose functions are transferred by this Act shall be transferred with their functions and shall continue to perform their regular duties upon their transfer, subject to the state personnel laws and this Act.

No officer or employee of the State having tenure shall suffer any loss of salary, seniority, prior service credit, vacation, sick leave, or other employee benefit or privilege as a consequence of this Act.

SECTION 8. All appropriations, records, equipment, machines, files, supplies, contracts, books, papers, documents, maps, and other personal property heretofore made, used, acquired, or held by the governor's agriculture coordinating committee relating to the functions transferred to the board of agriculture shall be transferred with the functions to which they relate; provided that all appropriations, records, equipment, machines, files, supplies, contracts, books, papers, documents, maps, and other personal property heretofore made, used, acquired, or held by the governor's agriculture coordinating committee relating to the functions transferred to the board of agriculture, shall be transferred to the agriculture development corporation upon:

- (1) Completion of the Hawaii agribusiness plan under section 163D-5, Hawaii Revised Statutes; and
- (2) Approval of the plan by the board of directors of the agribusiness development corporation.

SECTION 9. The chairperson of the board of agriculture shall expedite all projects of the governor's agriculture coordinating committee, especially emergency actions.

SECTION 10. The board of agriculture is authorized to transfer funds between appropriations as deemed necessary by the board of agriculture.

SECTION 11. The chairperson of the board of agriculture shall submit to the legislature no later than twenty days prior to the convening of the regular session of 1997, a report on the transfer, including:

- (1) A complete accounting of funds transferred from the governor's agriculture coordinating committee;
- (2) A complete accounting of expenditures made with those funds;
- (3) The results of each legislative appropriation initially made to the governor's agriculture coordinating committee and transferred to the board of agriculture; and
- (4) Future needs for funding and project timelines regarding functions previously administered by the governor's agriculture coordinating committee.

SECTION 12. Statutory material to be repealed is bracketed. New statutory material is underscored.

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SECTION 13. This Act shall take effect on July 1, 1996.
(Approved June 17, 1996.)