

**ACT 302**

S.B. NO. 3004

A Bill for an Act Relating to Composting.

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

SECTION 1. The legislature finds that food waste has far-reaching environmental, financial, and social impacts on society. According to the United States Department of Agriculture, an estimated thirty per cent to forty per cent of the food supply in the United States becomes food waste. This estimate corresponded to approximately one hundred thirty-three billion pounds and \$161,000,000,000 worth of food in 2010.

The legislature further finds that one way to reduce food waste is to compost it. Recycling food waste into compost reaps several environmental benefits. According to the United States Environmental Protection Agency, the benefits

of composting include reducing and, in some cases, eliminating the need for chemical fertilizers; reducing methane emissions that are generated through organic waste in landfills; promoting higher yields of agricultural crops; aiding reforestation, wetland restoration, and habitat revitalization efforts; enhancing water retention in soils; and sequestering carbon.

The legislature also finds that a three-year compost reimbursement pilot program was established within the department of agriculture pursuant to Act 89, Session Laws of Hawaii 2018, to provide cost reimbursements to farming operations in the State. The legislature further finds that the pilot program, which was repealed on December 31, 2021, provided assistance to farmers and helped ease some of the operational costs relating to the purchase of composting material.

The purpose of this Act is to permanently establish and appropriate funds for a compost reimbursement program and compost reimbursement program manager position within the department of agriculture.

SECTION 2. Chapter 141, Hawaii Revised Statutes, is amended by adding a new section to part I to be appropriately designated and to read as follows:

**“§141- Compost reimbursement program.** (a) There is established within the department a compost reimbursement program to provide cost reimbursements to farming operations and landscaping operations in the State for the purchase of compost.

(b) The compost reimbursement program shall assist farming operations and landscaping operations in meeting the costs of purchasing compost from a certified processor, dealer, retailer, or wholesaler licensed to do business in the State.

(c) Applications for cost reimbursements shall be submitted on a form furnished by the department and shall be filed with accompanying documentation of the costs of purchasing compost pursuant to subsection (d); provided that:

- (1) The applicant shall indemnify and hold harmless the State and its officers, agents, and employees from all claims arising out of or resulting from the compost purchased; and
- (2) The department may request an applicant to provide necessary information for the purposes of verifying the size or sale weight, as applicable, and amount of compost purchased.

(d) Documentation of compost costs requested by the department shall be filed for compost purchased within the fiscal year immediately preceding the filing.

(e) Funds shall be disbursed upon approval on an annual basis by the department to the farming operation or landscaping operation for up to fifty per cent of the costs incurred for the purchase of the compost.

(f) The department shall aggregate the total reimbursement applications pursuant to this section and shall divide and distribute the available funds on a first-come, first-served basis; provided that no single farming operation or landscaping operation shall receive a reimbursement totaling more than \$50,000 per year.

(g) The compost reimbursement program shall be overseen by a compost reimbursement program manager, which shall be a full-time, permanent position exempt from chapters 76 and 89. The compost reimbursement program manager shall possess a requisite level of knowledge and expertise in the area of program management necessary to carry out the duties of the position.

The compost reimbursement program manager shall:

## ACT 302

- (1) Facilitate the division and distribution of available funds for reimbursement; and
- (2) Manage the day-to-day coordination of the compost reimbursement program.

(h) Any action taken by the department pursuant to this section shall be exempt from the rulemaking requirements of section 91-3.

(i) The department shall submit an annual progress report on the compost reimbursement program to the legislature no later than twenty days prior to the convening of each regular session.

(j) As used in this section:

“Compost” means the product of a composting process, including the receipt of materials, primary processing, decomposition activities, and final processing for sale and marketing, in which organic materials are biologically decomposed under controlled conditions to produce a stable, humus-like mulch or soil amendment.

“Department” means the department of agriculture.

“Farming operation” has the same meaning as in section 165-2.

“Landscaping operation” means a landscaping contractor licensed under chapter 444.

“Organic materials” includes pre- and post-consumer food waste, waste from animal food processing operations, green waste, crop residues, and waste from vegetable food processing operations and similar materials.”

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$945,000 or so much thereof as may be necessary for fiscal year 2022-2023 for the department of agriculture to establish a compost reimbursement program pursuant to section 2 of this Act.

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

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$55,000 or so much thereof as may be necessary for fiscal year 2022-2023 for one full-time equivalent (1.0 FTE) permanent compost reimbursement program manager position exempt from chapters 76 and 89, Hawaii Revised Statutes.

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

SECTION 5. New statutory material is underscored.<sup>1</sup>

SECTION 6. This Act shall take effect on July 1, 2022.

(Approved July 12, 2022.)

### Note

1. Edited pursuant to HRS §23G-16.5.