



GOV. MSG. NO. 1240

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

June 30, 2021

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirty First State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on June 30, 2021, the following bill was signed into law:

SB855 SD1 HD1 CD1

RELATING TO COFFEE PEST CONTROL
ACT 138 (21)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

Approved by the Governor

on JUN 30 2021

THE SENATE
THIRTY-FIRST LEGISLATURE, 2021
STATE OF HAWAII

ACT 138

S.B. NO.

855
S.D. 1
H.D. 1
C.D. 1

A BILL FOR AN ACT

RELATING TO COFFEE PEST CONTROL.

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

1 SECTION 1. The legislature finds that coffee is one of the
2 largest agricultural crops in the State and is a highly valued
3 commodity in Hawaii's economy. In recent years, the coffee
4 berry borer, a small beetle, has infested coffee crops in the
5 Kona and Kau regions of Hawaii island, and more recently has
6 been detected on Oahu, Maui, Kauai, and Lanai. In 2020, coffee
7 leaf rust was discovered for the first time in the State on Maui
8 and Hawaii island. These two pests threaten the viability of
9 the State's entire coffee industry. Efforts to control the
10 coffee berry borer and coffee leaf rust are critical to the
11 coffee industry, and the State must continue to support these
12 efforts.

13 The legislature also finds that application of the organic
14 biological pesticide containing the fungus *Beauveria bassiana* is
15 known to cause high rates of mortality in the coffee berry borer
16 and is a primary method of pest control for the coffee berry
17 borer in other coffee-growing regions of the world. The
18 legislature further finds that the combination of a topical



1 contact fungicide with a systemic fungicide is the most
2 effective control method for coffee leaf rust. Research shows
3 that subsidizing the cost of pesticides is an effective and
4 necessary incentive to encourage farmers to adopt recommended
5 pest management strategies.

6 Act 105, Session Laws of Hawaii 2014 (Act 105),
7 appropriated funds for the development and implementation of a
8 pesticide subsidy program to assist coffee growers with
9 offsetting the cost of purchasing pesticides containing
10 *Beauveria bassiana*. However, implementing Act 105 took longer
11 than anticipated, and this assistance only became available from
12 the State at the end of 2016, more than two years later.

13 Act 152, Session Laws of Hawaii 2015, established a
14 pesticide subsidy program manager position as a full-time,
15 temporary position exempt from chapters 76 and 89, Hawaii
16 Revised Statutes.

17 Act 65, Session Laws of Hawaii 2017, extended the sunset
18 date of the pesticide subsidy program for two years, to June 30,
19 2021, so that the program can remain in effect for the number of
20 years intended when Act 105 was passed.



1 Act 32, Session Laws of Hawaii 2018, extended the pesticide
2 subsidy program manager position, including the exemption from
3 chapters 76 and 89, Hawaii Revised Statutes, for two years to
4 June 30, 2022, in order to process applications for subsidies
5 for costs incurred in the final year of the program.

6 The purpose of this Act is to extend the sunset dates of
7 both the pesticide subsidy program and the program manager
8 position, including the position's civil service and collective
9 bargaining laws exemption, for two more years so that the
10 program can remain in effect to assist in responding to the
11 newly discovered coffee leaf rust, continue helping growers
12 manage coffee berry borer, and add control methods for coffee
13 leaf rust as an eligible reimbursable item.

14 SECTION 2. Act 105, Session Laws of Hawaii 2014, as
15 amended by section 1 of Act 152, Session Laws of Hawaii 2015, as
16 amended by section 2 of Act 65, Session Laws of Hawaii 2017, as
17 amended by section 2 of Act 32, Session Laws of Hawaii 2018, as
18 amended by section 43 of Act 111, Session Laws of Hawaii 2019,
19 is amended as follows:

20 1. By amending section 3 to read:



1 "SECTION 3. (a) There is established in the department of
2 agriculture a pesticide subsidy program to be administered by
3 the department beginning on July 1, 2014, and ending on June 30,
4 [~~2021-~~] 2023. The department shall grant subsidies to coffee
5 growers to assist [~~them~~] the coffee growers in offsetting the
6 costs of purchasing any pesticide that is listed by the
7 department pursuant to subsection (f).

8 (b) Applications for subsidies by coffee growers shall be
9 submitted on a form furnished by the department and shall be
10 filed with accompanying documentation of the costs of purchasing
11 the pesticide; provided that:

12 (1) The applicant shall indemnify and hold harmless the
13 State and its officers, agents, and employees from all
14 claims arising out of or resulting from the pesticide
15 purchased; and

16 (2) The department may request that an applicant [~~to~~]
17 provide necessary information for the purposes of
18 verifying the size or sale weight, as applicable, and
19 amount of the pesticide purchased.

20 (c) Documentation of pesticide costs, as requested by the
21 department, shall be filed for pesticides purchased within the



1 ~~[immediate]~~ immediately preceding fiscal year of filing and
2 shall be effective for pesticide costs incurred after June 30,
3 2014, and before July 1, ~~[2021-]~~ 2023.

4 (d) Funds shall be disbursed upon approval on an annual
5 basis by the department to the coffee grower for up to seventy-
6 five per cent of the costs incurred for the purchase of the
7 pesticide before July 1, 2016, and for up to fifty per cent of
8 the costs incurred after June 30, 2016, and before July 1,
9 ~~[2021-]~~ 2023.

10 (e) The department shall aggregate the total subsidy
11 applications pursuant to this section and divide and distribute
12 the available subsidy funds on a pro rata basis; provided that
13 no single coffee grower shall receive subsidies that are more
14 than \$600 per year for coffee berry borer control and more than
15 \$600 per year for coffee leaf rust control per acre of land in
16 coffee production; provided further that no single coffee grower
17 shall receive subsidies that are more than \$9,000 per year;
18 provided further that no single coffee grower shall receive
19 subsidies that total more than \$6,000 per year for the period
20 after June 30, 2018, and before July 1, 2021~~[-]~~; provided
21 further that no single coffee grower shall receive subsidies



1 that total more than \$12,000 per year for the period after
2 June 30, 2021, and before July 1, 2023.

3 (f) The department shall establish a list of pesticides
4 that are registered with the United States Environmental
5 Protection Agency and are licensed with the State that contain
6 *Beauveria bassiana*, a fungus known to eradicate the coffee berry
7 borer, as an active ingredient. The department shall also
8 establish a list of pesticides that are registered with the
9 United States Environmental Protection Agency; are licensed with
10 the State; and are contact and systemic fungicides that, when
11 combined, are effective against coffee leaf rust.

12 (g) There is established within the department a pesticide
13 subsidy program manager position, which shall be a full-time,
14 temporary position exempt from chapters 76 and 89, Hawaii
15 Revised Statutes. The pesticide subsidy program manager shall
16 possess a requisite level of knowledge and expertise in the area
17 of program management necessary to carry out the duties of the
18 position. The pesticide subsidy program manager shall:

19 (1) Facilitate the efficient division and distribution of
20 available subsidy funds; and



1 (2) Manage the day-to-day coordination for the pesticide
2 subsidy program.

3 The pesticide subsidy program manager shall receive a
4 salary of not more than \$50,000 per year. The pesticide subsidy
5 program manager position, including the position's exemption
6 from chapters 76 and 89, Hawaii Revised Statutes, shall expire
7 on June 30, [~~2022~~] 2024.

8 (h) Not later than twenty days prior to the convening of
9 the regular session of [~~2021~~] 2023, the department shall submit
10 a report of its findings and recommendations, including any
11 proposed legislation, to the legislature on the results of the
12 subsidy program and whether the program should be allowed to
13 expire or be extended, and if extended, with or without
14 modification.

15 (i) Actions taken by the department pursuant to this
16 section shall be exempt from the rulemaking requirements of
17 section 91-3, Hawaii Revised Statutes.

18 (j) As used in this Act, "department" means the department
19 of agriculture."

20 2. By amending section 6 to read:



1 "SECTION 6. This Act shall take effect on July 1, 2014;
2 provided that:

3 (1) Section 3 shall be repealed on June 30, [~~2021~~] 2023,
4 except that section 3(g) shall be repealed on June 30,
5 [~~2022~~] 2024; and

6 (2) The amendment made to section 149A-13.5(b), Hawaii
7 Revised Statutes, under section 2 of this Act shall
8 not be repealed when section 149A-13.5(b), Hawaii
9 Revised Statutes, is repealed and reenacted on
10 June 30, 2015, by section 4 of Act 168, Session Laws
11 of Hawaii 2010."

12 SECTION 3. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 4. This Act shall take effect on July 1, 2021.

APPROVED this 30 day of JUN, 2021



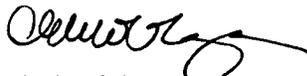
GOVERNOR OF THE STATE OF HAWAII

THE SENATE OF THE STATE OF HAWAI'I

Date: April 27, 2021
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-First Legislature of the State of Hawai'i, Regular Session of 2021.


President of the Senate


Clerk of the Senate

SB No. 855, SD 1, HD 1, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 27, 2021
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-First Legislature of the State of Hawaii, Regular Session of 2021.



Scott K. Saiki
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives