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## A BILL FOR AN ACT

RELATING TO FARMING.

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

1           SECTION 1. The legislature finds that agricultural  
2 sustainability and food self-sufficiency are an increasing  
3 concern for the people of Hawaii due to our overwhelming  
4 dependency on importing practically all of the food consumed in  
5 the State and the volatile nature of the international oil  
6 market and increasing costs of international transportation.

7           Further, the legislature notes that Hawaii's food self-  
8 sufficiency has principally been met in the past by small  
9 farmers and not by large-scale, fossil fuel-dependent, export  
10 oriented large agribusinesses.

11           The purpose of this Act is to grant small farmers  
12 incentives and preferences to allow them to expand and continue  
13 to contribute to the food self-sufficiency of the State.

14           SECTION 2. Chapter 166E, Hawaii Revised Statutes, is  
15 amended by adding a new section to be appropriately designated  
16 and to read as follows:

17           "§166E- Preference for small farmer. (a) In the  
18 disposition of public lands and facilities pursuant to this



1 chapter, the department shall grant a preference to any person  
2 who otherwise qualifies to a disposition who is a small farmer.

3 (b) For purposes of this section, a "small farmer" is a  
4 person who:

5 (1) Is a natural individual or a cooperative or group of  
6 not more than five natural individuals;

7 (2) Owns or leases or has owned or leased land and has  
8 engaged in agricultural activities on the land;

9 (3) Has proven farming ability;

10 (4) Devotes at least seventy per cent of that person's  
11 time farming; and

12 (5) Grows and sells at least eighty per cent of the crops  
13 that person produces within the State.

14 (c) The department may:

15 (1) Prescribe application forms and require the submittal  
16 of information it deems necessary to qualify a person  
17 for the preferences provided in this section; and

18 (2) Adopt rules pursuant to chapter 91 to implement this  
19 section."

20 SECTION 3. Chapter 205, Hawaii Revised Statutes, is  
21 amended by adding a new section to be appropriately designated  
22 and to read as follows:



1            "§205-      Agricultural land protection.    (a)

2   Notwithstanding any other law to the contrary, all land  
3   classified as agricultural under section 205-2, whether or not  
4   the land is designated as important agricultural lands pursuant  
5   to section 205-49, shall not be reclassified, except as provided  
6   in subsection (b); provided that the following criteria apply to  
7   the land:

8            (1)    The primary use of the land is agricultural;

9            (2)    The occupation of the owner or lessee of the land is a  
10           farmer on that land;

11           (3)    At least eighty per cent of the crops produced on the  
12           land are sold and consumed within the State; and

13           (4)    The agriculturally related annual gross income  
14           produced from the land is at least \$50,000.

15           (b)    The lands meeting the criteria of this section may  
16           only be reclassified to a classification other than agriculture  
17           if the standards and criteria set forth in section 205-50 are  
18           met.

19           (c)    For the purposes of this section, the term "farmer"  
20           means a person of proven farming ability, as determined by the  
21           department of agriculture pursuant to rule, who operates a farm  
22           on land owned or leased by the person and devotes at least



1 ninety per cent of the person's time farming land subject to  
2 this section.

3 (d) The department of agriculture shall administer this  
4 section. The department of agriculture and the land use  
5 commission may adopt rules pursuant to chapter 91 to effectuate  
6 this section."

7 SECTION 4. Section 166-8, Hawaii Revised Statutes, is  
8 amended to read as follows:

9 "**§166-8 Preference right.** (a) Any person who is  
10 otherwise qualified to take an agricultural park lot, who is  
11 [a]:

12 (1) A veteran with an honorable discharge~~[, or who]~~;

13 (2) A person who qualifies as a displaced farmer~~[, or~~  
14 ~~who]~~;

15 (3) A person who operates a farm located in a zoning  
16 district where [such] that use is a nonconforming  
17 use~~[, or who qualifies as a new farmer,]~~; or

18 (4) A person who is a small farmer,

19 shall be given preference in obtaining an agricultural park lot.

20 (b) For purposes of this section, a "small farmer" is a  
21 person who:



1        (1) Is a natural individual or cooperative or group of not  
2                    more than five natural individuals;

3        (2) Owns or leases or has owned or leased land and has  
4                    engaged in agricultural activities on the land;

5        (3) Has proven farming ability;

6        (4) Devotes at least seventy per cent of that person's  
7                    time farming; and

8        (5) Grows and sells at least eighty per cent of the crops  
9                    the person produces for consumption within the State.

10       (c) The department may:

11       (1) Prescribe application forms and require the submittal  
12                    of information it deems necessary to qualify a person  
13                    for the preferences provided in this section; and

14       (2) Adopt rules pursuant to chapter 91 to implement this  
15                    section."

16       SECTION 5. (a) The department of taxation is directed to  
17 investigate the impact on revenues of an exemption from chapter  
18 237 on the gross income of:

19       (1) Small farmers as defined in section 2 of this Act; and

20       (2) Landowners that derive rents or other remuneration  
21                    from small farmers as defined in section 2 of this  
22                    Act.



1 (b) The department of taxation is directed to submit any  
2 findings and recommendations to the legislature not less than  
3 twenty days prior to the convening of the regular session of  
4 2010.

5 SECTION 6. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

7 SECTION 7. This Act shall take effect upon its approval.

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INTRODUCED BY:

Mel Carrall

Della A. Bhatti

Sharon E. Lee

Denny Coffman  
Jessica Woolly

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**Report Title:**

Agriculture; Small Farms

**Description:**

Provides incentives and preferences for small farmers.

