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A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1 SECTION 1. Chapter 141, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4 "§141- Grant program; beginning farmer and rancher start-  
5 up costs. (a) There is established in the department of  
6 agriculture a grant program to assist beginning farmers and  
7 ranchers in meeting the operating costs, including start-up and  
8 organization costs, to start their farm or ranch operations.

9 (b) The program shall provide grants to qualified  
10 applicants with the following terms and conditions:

11 (1) No grant shall be given unless the applicant has a  
12 fifty per cent match of funds to start the farm or  
13 ranch operation;

14 (2) The total amount of a grant to any one applicant or  
15 organization shall not exceed \$15,000;

16 (3) The applicant shall be a beginning farmer or beginning  
17 rancher;

18 (4) The applicant shall have received all applicable  
19 business and tax licenses and permits;

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1       (5) The applicant shall comply with all applicable federal  
2       and state laws prohibiting discrimination against any  
3       person on the basis of race, color, national origin,  
4       religion, creed, sex, age, sexual orientation,  
5       disability, or any other characteristic protected  
6       under applicable federal or state law;

7       (6) The grant shall not be used for the purposes of  
8       entertainment; and

9       (7) The qualified applicant and grant application shall  
10       comply with other requirements as the department may  
11       prescribe including, but not limited to, providing tax  
12       returns, business licenses, financial records, and tax  
13       clearances or compliance certificates and making  
14       available to the department all records the applicant  
15       may have relating to the grant, and shall allow state  
16       agencies to monitor the applicant's compliance with  
17       any and all grant conditions.

18       (c) The department may adopt interim rules, which shall be  
19       exempt from chapter 91 and chapter 201M, to effectuate the  
20       purposes of the program; provided that any interim rules shall  
21       only remain in effect until July 1, 2022, or until rules are  
22       adopted pursuant to chapter 91, whichever occurs sooner.

1        (d) The grant applications shall be reviewed and approved  
2 by an administrative staff member of the department.

3        (e) As used in this section, "beginning farmer" means a  
4 new farm enterprise or person who has not farmed commercially or  
5 has been farming for less than two years preceding the  
6 application by the enterprise or person.

7        (f) As used in this section, "beginning rancher" means a  
8 new ranch enterprise or person who has not ranched commercially  
9 or has been ranching for less than two years preceding the  
10 application by the enterprise or person."

11        SECTION 2. There is appropriated out of the general  
12 revenues of the State of Hawaii the sum of \$1,000,000 or so much  
13 thereof as may be necessary for fiscal year 2020-2021 for the  
14 purposes of this Act.

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

17        SECTION 3. Any provision of this Act to the contrary  
18 notwithstanding, the appropriations authorized under this Act  
19 shall not lapse at the end of the fiscal year for which the  
20 appropriation is made. Any unexpended and unencumbered balance  
21 of the appropriation made in this Act as of the close of  
22 business on June 30, 2022, shall lapse.

23        SECTION 4. New statutory material is underscored.

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1 SECTION 5. This Act, upon its approval, shall take effect  
2 on July 1, 2020.

3 INTRODUCED BY:     *AM*    

4 BY REQUEST

JAN 21 2020

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**Report Title:**

Beginning Farmer and Rancher Grant Program; Appropriation

**Description:**

Establishes the Beginning Farmer and Rancher Grant Program under the Department of Agriculture. Allows the Department to make grants to start new commercial farms and ranches. Makes appropriation.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

JUSTIFICATION SHEET

DEPARTMENT: Agriculture

TITLE: A BILL FOR AN ACT RELATING TO AGRICULTURE

PURPOSE: To create a grant program to encourage and assist beginning farmers and ranchers to establish their own commercial farm operations.

MEANS: Add a new section to chapter 141, Hawaii Revised Statutes.

JUSTIFICATION: The average age of Hawaii's farmers has now reached 60 years of age. The world, due to rapid population increases, is now facing a global food shortage. Hawaii, as one of the most geographic isolated places, must begin the process of becoming more food secure. With the Governor's goal of doubling local food production, there is a need to establish more commercial farm operations to increase local food production. One of the barriers to starting a farm is the high capital cost. The proposed grant program is designed to encourage and assist beginning farmers and ranchers.

The general fund appropriation included in this measure has been proposed with consideration of the statutorily defined appropriation ceiling for the Executive Branch pursuant to section 37-92, Hawaii Revised Statutes. The total proposed appropriations from the General Fund (which include the Executive Supplemental Budget for FB 2019-2021 and Administration Proposal BUF-08(20), appropriation for bargaining unit 13 collective bargaining increases to be submitted) exceed the appropriation ceiling by \$14,179,623 (or 0.2%) in fiscal year 2019-2020. Funding requested in this measure will provide critical support to beginning farmers looking to increase local

food production and agriculture in the State of Hawaii. This will result in the appropriation ceiling for the Executive Branch to now be exceeded in fiscal year 2019-2020 by an additional \$2,500,000 or 0.3 percent. This current declaration takes into account additional general fund appropriations authorized for fiscal year 2019-2020 in the Executive Supplemental Budget, administration proposal BUF-08(20), and this measure only, and does not include other general fund appropriations for fiscal year 2019-2020 that may be authorized for the Executive Branch in other legislation submitted to the Legislature during the regular session of 2020.

Impact on the public: The program will help the beginning farmer or rancher to establish new farms or ranches, making available fresh locally grown produce, meat, eggs and dairy as well as new innovative crops and value-added products for the general public. These new operations help diversify the State's economy, provide employment opportunities, bring in more taxes and out-of-state revenues and spend capital, stimulating the local economy.

Impact on the department and other agencies: There will be additional demand for services provided by the department as a result of the increase in the number of farms.

GENERAL FUND: \$1,000,000.

OTHER FUNDS: None required.

PPBS PROGRAM  
DESIGNATION: AGR-101.

OTHER AFFECTED  
AGENCIES: None.

EFFECTIVE DATE: July 1, 2020.