

JAN 18 2019

A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1 SECTION 1. The legislature finds that the department of
2 agriculture's non-agricultural park lands program supports new
3 and bona fide farmers, among others, who are generally farmers
4 engaged in diversified agriculture on smaller parcels, in
5 gaining a foothold in the agricultural industry. The
6 legislature further finds that technological advances have
7 created opportunities for innovation in agriculture that may
8 improve efficiency, increase yields, and encourage sustainable
9 farming practices. However, these technologies often require
10 high investments of capital that farmers are often unable to
11 access alone. By partnering with investors or establishing
12 partnerships with others who have access to capital, farmers may
13 be able to invest in these technologies and other capital
14 necessary to establish and grow their businesses.

15 The legislature finds that the department of agriculture's
16 administrative rules on the non-agricultural park lands program
17 require bona fide farmers to be: individuals who meet certain



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1 qualifications; agricultural cooperatives or other agricultural
2 associations or partnerships, at least seventy-five per cent of
3 the members of which would qualify individually as bona fide
4 farmers; or corporations incorporated primarily for agricultural
5 production purposes where at least seventy-five per cent of its
6 trustees, officers, stockholders, and members qualify
7 individually, excluding a holder of record having a security
8 interest. In addition, the legislature finds that there may be
9 some confusion regarding qualifications for bona fide farmers;
10 specifically, a durational Hawaii residency requirement may
11 apply to bona fide farmers, despite the fact that chapter 166E,
12 Hawaii Revised Statutes, relating to non-agricultural park
13 lands, does not include such a requirement. The legislature
14 believes that the law should more clearly specify the
15 qualifications of bona fide farmers and broaden the types of
16 entities that may qualify as bona fide farmers for purposes of
17 the non-agricultural park lands program.

18 The purpose of this Act is to expand opportunities for
19 farmers to obtain investment capital for their operations on
20 non-agricultural park lands by:



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1 (1) Inserting a definition of "bona fide farmer" that
2 applies to the non-agricultural park lands program;
3 and

4 (2) Exempting individual members, trustees, officers, and
5 stockholders of certain entities from the required
6 individual qualifications of a "bona fide farmer".

7 SECTION 2. Section 166E-2, Hawaii Revised Statutes, is
8 amended by adding a new definition to be appropriately inserted
9 and to read as follows:

10 "Bona fide farmer" means a person who:

11 (1) Was an owner-operator of an established farm
12 conducting a substantial farming operation and for a
13 substantial period of the person's life resided on a
14 farm or depended on farm income for livelihood;

15 (2) Has at least two years experience as a full-time
16 farmer or four years experience as a part-time farmer
17 and who, in the administrator's judgment, is likely to
18 successfully operate a farm by reason of ability,
19 experience, and training as a vocational trainee;

20 (3) Has qualified for and received a commitment for a loan
21 under the Bankhead-Jones Farm Tenant Act, as amended,



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1 or as may hereafter be amended, for the acquisition of
2 a farm; or

3 (4) Is a member of the Hawaii Young Farmer Association or
4 the National FFA Organization graduate with two years
5 of training with farming projects.

6 "Bona fide farmer" includes agricultural cooperatives organized
7 under chapter 421 and other agricultural associations or
8 partnerships; corporations incorporated primarily for
9 agricultural production purposes, excluding a holder of record
10 having a security interest; and beekeepers and qualified
11 aquaculturists, as defined in section 219-2; provided that
12 individual members of agricultural cooperatives organized under
13 chapter 421 and other agricultural associations or partnerships,
14 and trustees, officers, stockholders, or members of corporations
15 incorporated primarily for agricultural production purposes,
16 excluding a holder of record having a security interest, do not
17 need to qualify individually as bona fide farmers."

18 SECTION 3. New statutory material is underscored.

19 SECTION 4. This Act shall take effect on July 1, 2019.

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Report Title:

Non-agricultural Park Lands Program; Bona Fide Farmer;
Qualifications

Description:

Inserts a definition for "bona fide farmer" that applies to the non-agricultural park lands program. Exempts individual members, trustees, officers, and stockholders of certain entities from the required individual qualifications of a "bona fide farmer".

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