

JAN 19 2024

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 agricultural land use baseline study has indicated
3 that the total amount of agricultural land in the State has
4 decreased by twenty-seven thousand fifty acres since 2015, or
5 three per cent. Put another way, tens of thousands of
6 agriculturally zoned lands have moved out of agricultural
7 production. The legislature finds that this is a concerning
8 trend that must be addressed.

9 The legislature further finds that lands supporting viable
10 agricultural activities should be maintained in agricultural use
11 by bona fide farmers or ranchers. Unfortunately, the State's
12 agricultural workforce is aging. A recent article in Hawaii
13 Business Magazine indicated that the average age of a farmer in
14 Hawaii is approximately sixty years. Because younger
15 generations in farming families are often reluctant to take over
16 family farms, many farmlands in the State are at risk of falling



1 fallow, which would further decrease the amount of
2 agriculturally zoned lands in active agricultural production.

3 The legislature finds that succession planning is a process
4 by which business owners plan to exit their business and
5 transition ownership and control of the business to a successor
6 owner. Although succession planning can be a difficult process,
7 it can be vital to ensuring the success of exiting owners,
8 successor owners, and the businesses themselves.

9 The legislature further finds that because the agribusiness
10 development corporation is one of the primary agencies
11 responsible for addressing the business component of the State's
12 agricultural sector, it is the most appropriate agency to
13 educate farmers and ranchers on the benefits of succession
14 planning. The legislature further finds that the agribusiness
15 development corporation would also be an ideal agency to
16 facilitate involvement in succession planning education
17 activities by landowners, county land use and permitting
18 officials, state taxation authorities, and other stakeholders to
19 ensure a smooth transition of agricultural enterprises between
20 exiting owners and their successors.



1 Finally, the legislature finds that a succession planning
2 education program could also provide an opportunity for the
3 agribusiness development corporation to connect individuals
4 interested in entering farming or ranching with farmers and
5 ranchers who have not yet identified a successor owner. These
6 types of proactive efforts will help greatly in keeping valuable
7 agricultural lands in agricultural production.

8 Accordingly, the purpose of this Act is to:

- 9 (1) Require the agribusiness development corporation to
10 develop a succession planning education program; and
11 (2) Appropriate moneys to develop the program.

12 SECTION 2. Chapter 163D, Hawaii Revised Statutes, is
13 amended by adding a new section to be appropriately designated
14 and to read as follows:

15 "§163D- Succession planning education program. (a)
16 The corporation shall develop a succession planning education
17 program to educate and assist farmers and ranchers in the
18 process of transitioning agricultural businesses to new owners
19 who intend to maintain the transitioned assets, including
20 agricultural lands, in agricultural production. The program
21 shall:



- 1 (1) Educate farmers and ranchers on the importance of
2 succession planning;
- 3 (2) Connect farmers and ranchers with succession planning
4 resources; and
- 5 (3) If a farmer or rancher does not have a successor
6 identified, help to connect the farmer or rancher
7 with:
- 8 (A) Persons who are interested in entering the
9 farming or ranching business as bona fide farmers
10 or ranchers; or
- 11 (B) Existing bona fide farmers or ranchers who are
12 interested in expanding their business,
13 and connect the parties with resources to help
14 facilitate the transfer of the agricultural assets,
15 including agricultural lands, to ensure that the
16 assets remain in agricultural production.
- 17 (b) For purposes of this program, the corporation shall
18 collaborate with:
- 19 (1) The department of agriculture and private landowners
20 that lease agricultural land in Hawaii to assist



1 exiting farmers and ranchers in planning for lease
2 transfers; and
3 (2) The department of taxation; county land use and
4 permitting agencies; and other relevant state and
5 county agencies to assist exiting farmers and ranchers
6 meet any requirements necessary to transfer an
7 agricultural business and keep the business's assets,
8 including agricultural land, in agricultural
9 production."

10 SECTION 3. In accordance with section 9 of article VII, of
11 the Constitution of the State of Hawaii and sections 37-91 and
12 37-93, Hawaii Revised Statutes, the legislature has determined
13 that the appropriation contained in this Act will cause the
14 state general fund expenditure ceiling for fiscal year 2024-2025
15 to be exceeded by \$, or per cent. The
16 reasons for exceeding the general fund expenditure ceiling are
17 that the appropriation made in this Act is necessary to serve
18 the public interest and to meet the need provided for by this
19 Act.

20 SECTION 4. There is appropriated out of the general
21 revenues of the State of Hawaii the sum of \$100,000 or so much

1 thereof as may be necessary for fiscal year 2024-2025 for the
2 agribusiness development corporation to develop a succession
3 planning education program for farmers and ranchers.

4 The sum appropriated shall be expended by the agribusiness
5 development corporation for the purposes of this Act.

6 SECTION 5. New statutory material is underscored.

7 SECTION 6. This Act shall take effect on July 1, 2024.

8

INTRODUCED BY:

Shirley M. Ruckelshaus



S.B. NO. 2805

Report Title:

Agribusiness Development Corporation; Agriculture; Succession Planning; Education Program; Appropriation; General Fund Expenditure Ceiling Exceeded

Description:

Requires the Agribusiness Development Corporation to develop a program to educate and assist farmers and ranchers in the process of transitioning agricultural businesses to new owners. Requires the program to connect individuals interested in entering farming or ranching, or existing farmers or ranchers interested in expanding their business, with farmers and ranchers who have not yet identified a successor owner. Appropriates moneys. Declares that the appropriation exceeds the state general fund expenditure ceiling for 2024-2025.

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