

Honolulu, Hawaii

FEB 14 2025

RE: S.B. No. 242
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committees on Agriculture and Environment and
Transportation and Culture and the Arts, to which was referred
S.B. No. 242 entitled:

"A BILL FOR AN ACT RELATING TO FOREIGN OWNERSHIP OF
AGRICULTURAL LAND,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Prohibit foreign entities from owning, leasing, or holding a controlling interest in more than an unspecified number of acres of agricultural land;
- (2) Limit the lease term for agricultural land by foreign entities; and
- (3) Require foreign entities that own or lease interest in agricultural lands to file an annual report with the Department of Agriculture.

Your Committees received testimony in support of this measure from the Office of the Mayor of the County of Maui; Hawai'i Farmers Union United; Hawaii Cattlemen's Council, Inc.; Hawai'i Alliance for Progressive Action; Animal Rights Hawai'i; Malama Kaua'i; and numerous individuals.



Your Committees received testimony in opposition to this measure from the Hawai'i Farm Bureau, Biotechnology Innovation, Organization, Hawai'i Association of REALTORS, Hawaii Crop Improvement Association, and five individuals.

Your Committees received comments on this measure from the Department of the Attorney General and Hawaii Food Industry Association.

Your Committees recognize that, in 2022, the State had the second-highest percentage of foreign-held agricultural land in the United States. The 2023 Consolidated Appropriations Act, which directs the United States Department of Agriculture to report to Congress on foreign investments in agricultural land, underscores the need for states like Hawaii to examine and address the implications of foreign-held agricultural land. This measure reaffirms the State's policy that access to agricultural land must be preserved for the benefit of local farmers, communities, and food security.

Your Committees further recognize that twenty-four other states have adopted and implemented various restrictions on the foreign ownership of agricultural lands. Accordingly, this measure aligns with a category of policies of those states, such as a limit on the foreign ownership of agricultural lands based on the acreage of the land and the term of the lease.

Your Committees have amended this measure by:

- (1) Deleting language that would have required the ownership of any land that was transferred to a foreign entity after July 1, 2025, and any funds used in that transaction, in violation of the measure to revert to the Department of the Attorney General;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees have heard concerns from numerous testifiers about the potential unintended consequences of this measure,



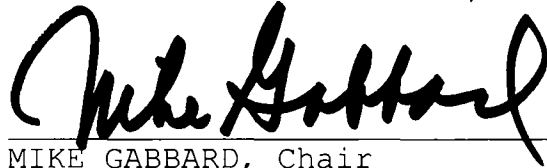
particularly those regarding investment, land availability, and the viability of Hawaii's agricultural industry. Your Committees find that these issues merit further consideration and examination by your Committees on Judiciary and Ways and Means, should it choose to deliberate on this measure.

As affirmed by the records of votes of the members of your Committees on Agriculture and Environment and Transportation and Culture and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 242, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 242, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Agriculture and Environment and Transportation and Culture and the Arts,



CHRIS LEE, Chair



MIKE GABBARD, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:* SB242	Committee Referral: AEN/ITCA, JRC/WAM	Date: 2/10/25
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The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	X			
RICHARDS, III, Herbert M. "Tim" (VC)		X		
DECOITE, Lynn		X		
RHOADS, Karl	X			
AWA, Brenton	X			
TOTAL	3	2	0	0

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:


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*Only one measure per Record of Votes

The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Transportation and Culture and the Arts
TCA

Bill / Resolution No.:* SB 242	Committee Referral: AEN/TCA, JDC/WAM	Date: 2-11-2025
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The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
LEE, Chris (C)	✓			
INOUYE, Lorraine R. (VC)		✓		
ELEFANTE, Brandon J.C.		✓		
KANUHA, Dru Mamo		✓		
DECORTE, Samantha	✓			
TOTAL	2	3		

Recommendation:
 Adopted
 Not Adopted

Chair's or Designee's Signature:


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***Only one measure per Record of Votes**