

MAR 08 2024

SENATE RESOLUTION

REQUESTING THE BOARD OF AGRICULTURE TO CONDUCT A STUDY ON THE PERCENTAGES OF AGRICULTURAL LANDS BEING LEASED BY THE STATE THAT ARE SUITABLE FOR FARMING AND ACTIVELY BEING USED FOR FARMING PURPOSES AND CERTAIN DOLLAR AMOUNTS RELATING TO LEASE TRANSFERS.

1 WHEREAS, state agricultural lands are a key resource that
2 can be used to meet the State's goals for economic
3 diversification and food self-sufficiency; and
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5 WHEREAS, to support farmers on these lands, the State
6 subsidizes lessees by providing the leases below market rates
7 and, in some cases, providing lower-cost agricultural water; and
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9 WHEREAS, despite state subsidies, some state agricultural
10 leases are used primarily as residences or non-agricultural
11 businesses or are unused; and
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13 WHEREAS, lessees who obtain a state agricultural lease in
14 high-demand locations can transfer the remainder of their lease
15 to the highest bidder, thereby converting their lease into a
16 windfall profit above and beyond their investment in the
17 property; and
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19 WHEREAS, this windfall profit to the lessee is an
20 unintended transfer of wealth from the State to individual
21 lessees; and
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23 WHEREAS, this situation also causes the transfers of leases
24 to the highest bidder, who may or may not be the farmers best
25 able to use the land for agricultural production; and
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27 WHEREAS, further data is needed to assess to what extent
28 Department of Agriculture leases maximize the benefit to the
29 State of these lands to help the State achieve its economic and
30 food production goals; and



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WHEREAS, further data is also needed to assess whether the transfer of state lands from one lessee to another results in the difference between the actual value of the lease and the subsidized price of the lease being monetized for private, rather than state, benefit; now, therefore,

BE IT RESOLVED by the Senate of the Thirty-second Legislature of the State of Hawaii, Regular Session of 2024, that the Board of Agriculture is requested to:

(1) Conduct a study of the percentages of agricultural lands being leased by the State that are suitable for farming and actively being used for farming purposes; and

(2) For each agricultural lease transferred from one lessee to another lessee, determine the following dollar amounts:

- (A) Lease rent;
- (B) Cost of infrastructure improvements made by the original lessee;
- (C) Sum paid by the purchaser of the remainder of the lease; and
- (D) Amount from the sum paid by the purchaser that goes to the State; and

BE IT FURTHER RESOLVED that the Board of Agriculture is requested to submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2025; and

BE IT FURTHER RESOLVED that a certified copy of this Resolution be transmitted to the Chairperson of the Board of Agriculture.

S.R. NO. 40

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OFFERED BY:

Mike Johnson

