S.B. NO. 499

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 by bona fide

11 farmers or ranchers. Unfortunately, the State's agricultural

12 workforce is aging. A recent article reported that the average

13 age of farmers in Hawaii is approximately sixty-one years.

14 Because younger generations of farming families are often

15 reluctant to take over family farms, many farmlands in the State

16 are at risk of falling fallow, which would further decrease the

1   amount of agriculturally zoned lands in active agricultural

2   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 funds 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) The

16 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 the State 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   to 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. There is appropriated out of the general

11 revenues of the State of Hawaii the sum of $ or so

12 much thereof as may be necessary for fiscal year 2025-2026 and

13 the same sum or so much thereof as may be necessary for fiscal

14 year 2026-2027 for the agribusiness development corporation to

15 develop a succession planning education program for farmers and

16 ranchers.

17   The sums appropriated shall be expended by the agribusiness

18 development corporation for the purposes of this Act.

19   SECTION 4. New statutory material is underscored.

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1   SECTION 5.   This Act shall take effect on July 1, 2025.

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INTRODUCED BY: _____

Report Title:
ADC; Agriculture; Succession Planning Education Program;
Appropriations

Description:
Requires the Agribusiness Development Corporation to develop a
succession planning education 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 funds.

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