

Honolulu, Hawaii

MAR 21 2025

RE: H.B. No. 1006
H.D. 2
S.D. 1

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

Sir:

Your Committee on Economic Development and Tourism, to which was referred H.B. No. 1006, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION,"

begs leave to report as follows:

The purpose and intent of this measure is to include agricultural tourism in the definition of "enterprise" to authorize the Agribusiness Development Corporation to financially support farming businesses engaged in agricultural tourism.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Agribusiness Development Corporation; Hawai'i Farm Bureau; Chamber of Commerce Hawaii; and Maui Chamber of Commerce.

Your Committee received testimony in opposition to this measure from two individuals.

Your Committee finds that agritourism combines the agricultural and tourism industries to offer prospective guests with unique experiences such as farm tours, farm-to-table dining, and direct-to-consumer sales of locally grown products. As an entrepreneurial strategy, agritourism empowers local farmers to find greater success in their businesses through direct consumer



interactions. Additionally, agritourism allows local farmers to utilize the State's unique regional identity and cultural heritage. Including agritourism in the definition of "enterprise" will allow local farmers to enhance existing revenue while diversifying agricultural operations. Therefore, this measure expands the agricultural sector by empowering farmers to seek an additional source of revenue while promoting the State's unique cultural heritage and agricultural industry.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "agricultural tourism" to:
 - (A) Specify that agricultural tourism activity shall be secondary to the principal agricultural use, of which shall constitute at least seventy-five percent of the total farming activity; and
 - (B) Prohibit agricultural tourism activities from interfering with farm operations of adjacent or surrounding farms;
- (2) Clarifying the definition of "enterprise" to:
 - (A) Specify that not more than twenty-five percent of the total farming operation; and
 - (B) Require at least seventy-five percent of the total farming operation to be dedicated to active crop production or livestock farming;
- (3) Inserting language transferring the Agricultural Development Division of the Department of Agriculture to the Agribusiness Development Corporation; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1006, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto



as H.B. No. 1006, H.D. 2, S.D. 1, and be referred to your
Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development and Tourism,


LYNN DECOITE, Chair



