

STAND. COM. REP. NO.

1054

Honolulu, Hawaii

FEB 28 2025

RE: S.B. No. 242
S.D. 2

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

Sir:

Your Committees on Judiciary and Ways and Means, to which was referred S.B. No. 242, S.D. 1, 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;
- (3) Require foreign entities that own or lease interest in agricultural lands to file an annual report with the Department of Agriculture; and
- (4) Appropriate funds.

Your Committees received testimony in support of this measure from Lāhainā Strong, Wailua Nui Kalo Farm, Hawaiian Islands Republican Women, Aloha Freedom Coalition, and numerous individuals.



Your Committees received testimony in opposition to this measure from the Hawaii Crop Improvement Association, Hawai'i Farm Bureau, Biotechnology Innovation Organization, Land Use Research Foundation of Hawaii, Hawaii Food Industry Association, and seven individuals.

Your Committees received comments on this measure from the Department of the Attorney General, Department of Agriculture, and Chamber of Commerce Hawaii.

Your Committees find that the State's agricultural land is a vital resource that must be preserved for the benefit of local farmers and communities. Your Committees further find that in 2022, the State had the second-highest percentage of foreign-held agricultural land in the United States, with 12.8 percent of its agricultural land under foreign ownership. Your Committees believe that this high level of foreign ownership raises concerns about land access for local farmers and the economic resilience of the State's food systems. This measure will ensure that the State's agricultural land remains available and accessible to local farmers and agricultural enterprises.

Your Committees have amended this measure by:

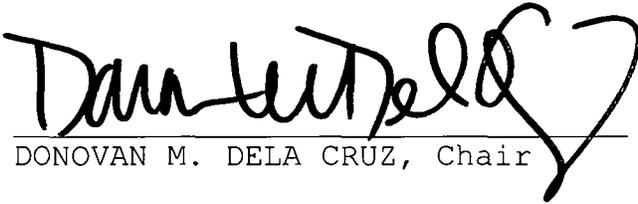
- (1) Specifying that any consideration exchanged as part of a transaction in violation of the limitations on the purchase of agricultural lands by foreign entities established by this measure is required to revert to the respective parties;
- (2) Inserting a non-impairment clause to clarify that this measure shall not be applied in a manner that impairs any existing contract in violation of the Hawaii State Constitution or United States Constitution; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Judiciary and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 242, S.D. 1, as amended herein, and recommend



that it pass Third Reading in the form attached hereto as S.B.
No. 242, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committees on Judiciary and
Ways and Means,

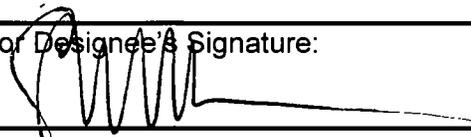

DONOVAN M. DELA CRUZ, Chair


KARL RHOADS, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB242 SD1	Committee Referral: AEN/TCA, JPC/WAM	Date: 2/28/2025		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn		X		
ELEFANTE, Brandon J.C.		X		
HASHIMOTO, Troy N.		X		
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo		X		
KIDANI, Michelle N.				X
KIM, Donna Mercado		X		
LEE, Chris				X
WAKAI, Glenn		X		
FEVELLA, Kurt		X		
TOTAL	4	7	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

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