
A BILL FOR AN ACT

RELATING TO AGRICULTURAL LANDS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that, under the Hawaii
2 State Planning Act, two major objectives and policies for Hawaii
3 agriculture are the growth and development of diversified
4 agriculture and ensuring that the agricultural sector continues
5 to constitute a dynamic and essential component of Hawaii's
6 strategic, economic, and social well-being. To achieve this
7 objective, the State must conserve, protect, and encourage the
8 development and improvement of available agricultural lands and
9 facilities to produce food and other agricultural products.

10 The legislature further finds that data released by the
11 United States Department of Agriculture in December 2024
12 indicates that the amount of the State's farmland owned by
13 foreign entities has dramatically increased in recent years.
14 Specifically, foreign ownership of Hawaii agricultural land
15 increased from 166,000 acres to 278,000 acres during the last
16 five years, constituting a sixty-five per cent increase.



1 The legislature is concerned that the increasing percentage
2 of agricultural land owned by foreign entities may adversely
3 impact the State's ability to achieve its agricultural goals.
4 Because foreign landowners are likely domiciled thousands of
5 miles away from Hawaii, they may not be able to give this
6 agricultural land the attention needed to maximize its
7 productivity. Foreign entities may also have different
8 stakeholders whose interests they need to assuage; the interests
9 of those stakeholders may not align with the interests of local
10 stakeholders in Hawaii. Finally, foreign ownership raises
11 national and economic security concerns.

12 The legislature finds that many states have laws that
13 prohibit or restrict the ability of foreign persons, businesses,
14 and governments from acquiring or owning an interest in
15 agricultural land. However, Hawaii currently does not have a
16 similar restriction.

17 Accordingly, the purpose of this Act is to promote the
18 conservation, protection, and sustainable development of the
19 State's agricultural resources by prohibiting certain foreign
20 parties from owning, purchasing, or acquiring ownership of or an
21 interest in agricultural lands.



1 SECTION 2. The Hawaii Revised Statutes is amended by
2 adding a new chapter to title 11 to be appropriately designated
3 and to read as follows:

4 "CHAPTER
5 PROHIBITION OF THE ACQUISITION OF
6 AGRICULTURAL LANDS BY CERTAIN FOREIGN PARTIES

7 § -1 Definitions. As used in this chapter, unless the
8 context otherwise requires:

9 "Agricultural lands" means any real property within the
10 agricultural district pursuant to section 205-2(d).

11 "Interest in agricultural land" means all direct interest
12 acquired, transferred, or held in agricultural land, including,
13 without limitation, a lease of agricultural land:

- 14 (1) For a term of one year or longer; or
15 (2) That is renewable by option for terms that, if
16 exercised, would be for a term of one year or longer.

17 "Prohibited foreign party" means:

- 18 (1) The government or any official of the government of a
19 foreign country;
20 (2) A partnership, association, corporation, organization,
21 or other combination of persons organized under the



1 laws of or having its principal place of business in a
2 foreign country, or a subsidiary of that entity;

3 (3) Any person who is domiciled in a foreign country and
4 is not a citizen or lawful permanent resident of the
5 United States;

6 (4) Any person other than an individual or government:

7 (A) That is created or organized under the laws of
8 any state; and

9 (B) In which a significant interest or substantial
10 control is directly or indirectly held or is
11 capable of being exercised by:

12 (i) A person or government described in
13 paragraphs (1) through (3); or

14 (ii) Any combination of the persons or
15 governments described in paragraphs (1)
16 through (3); or

17 (5) Any agent, trustee, or other fiduciary of a person or
18 government described in paragraphs (1) through (4).

19 "Real property" means lands, structures, and interests
20 therein and natural resources including water, minerals, and all
21 things connected with land, including lands under water and



1 riparian rights, space rights, air rights, and any and all other
2 things and rights usually included within the term.

3 "Residence" means a person's principal dwelling place where
4 the person intends to remain permanently for an indefinite
5 period of time.

6 "Resident alien" means a person who:

- 7 (1) Is not a citizen of the United States; and
8 (2) Is a resident of a United States state, territory,
9 trusteeship, or protectorate.

10 "Significant interest" or "substantial control" means:

- 11 (1) An interest of thirty-three per cent or more held by a
12 prohibited foreign party;
13 (2) An interest of thirty-three per cent or more held by
14 more than one prohibited foreign party if the parties
15 are acting in concert with respect to the interest,
16 even if no single prohibited foreign party holds an
17 interest of thirty-three per cent or more; or
18 (3) An interest of fifty per cent or more, in aggregate,
19 held by prohibited foreign parties, regardless of
20 whether the prohibited foreign parties are acting in
21 concert.



1 § -2 Office of agricultural intelligence; established.

2 There is established within the department of agriculture an
3 office of agricultural intelligence, which shall:

4 (1) Collect and analyze information concerning the
5 unlawful scale or possession of agricultural land by
6 prohibited foreign parties; and

7 (2) Administer and enforce this chapter, including the
8 reporting of violations to the attorney general as
9 provided in section -5.

10 § -3 Restrictions on ownership of agricultural lands.

11 (a) Notwithstanding any other law to the contrary, a prohibited
12 foreign party shall not acquire by grant, purchase, devise,
13 descent, or otherwise, any interest in agricultural land in the
14 State, except as provided in section -4.

15 (b) A person shall not hold agricultural land as an agent,
16 trustee, or other fiduciary for a prohibited foreign party in
17 violation of this chapter.

18 (c) A prohibited foreign party that acquires agricultural
19 land in violation of this chapter remains in violation as long
20 as the prohibited foreign party holds an interest in the
21 agricultural land.



1 § -4 **Exception; divestment.** (a) Notwithstanding
2 section -3, a prohibited foreign party who is a resident
3 alien of the United States may acquire and hold an interest in
4 agricultural land in the State during the continuance of that
5 prohibited foreign party's residence in the State.

6 (b) If a prohibited foreign party who previously held
7 agricultural land pursuant to subsection (a) loses resident
8 alien status, the prohibited foreign party shall sell, transfer,
9 or otherwise divest their interest in agricultural land within
10 two years of the date on which the prohibited foreign party
11 ceased to have resident alien status.

12 (c) If a prohibited foreign party who is required to sell,
13 transfer, or divest an interest in agricultural land under
14 subsection (b) fails to do so, the attorney general shall
15 initiate a civil action in the circuit court in the county in
16 which the agricultural land is located for the forfeiture of the
17 interest in agricultural land.

18 (d) If the circuit court determines that an interest in
19 agricultural land is being held in violation of this chapter,
20 the circuit court shall order that the interest in agricultural
21 land be sold as provided in section -7.



1 § -5 **Enforcement.** (a) If the office of agricultural
2 intelligence determines a prohibited foreign party has acquired
3 agricultural land in the State in violation of this chapter, the
4 office shall report the violation to the attorney general.

5 (b) Upon receiving a report under subsection (a), the
6 attorney general may investigate to determine if there is a
7 violation of this chapter. In conducting the investigation, the
8 attorney general may issue subpoenas requiring the:

9 (1) Appearance of witnesses;

10 (2) Production of relevant records; and

11 (3) Giving of relevant testimony.

12 (c) Following the investigation, if the attorney general
13 concludes that a violation of this chapter has occurred, the
14 attorney general shall initiate a civil action in the circuit
15 court in the county in which the agricultural land is located
16 for the forfeiture of the interest in agricultural land.

17 (d) If the circuit court determines that the interest in
18 agricultural land is being held in violation of this chapter,
19 the circuit court shall order that the interest in agricultural
20 land be sold as provided in section -7.



1 § **-6 Filings required.** The attorney general shall
2 promptly record the following filings with the bureau of
3 conveyances:

4 (1) Upon commencement of an action under this chapter, a
5 notice of the pendency of the action; and

6 (2) An order for the sale of agricultural land under
7 section -4(d) or -5(d).

8 § **-7 Court-ordered sale of agricultural land.** If the
9 court orders the sale of an interest in agricultural land under
10 section -4(d) or -5(d), the agricultural land shall be
11 sold subject only to the rights and interests of bona fide
12 lienholders. Proceeds from the sale, if any, shall be disbursed
13 to lienholders, in the order of priority, except for liens that,
14 under the terms of the sale, are to remain with the agricultural
15 land.

16 § **-8 Penalty.** A prohibited foreign party who violates
17 this chapter shall be guilty of a class C felony.

18 § **-9 Affirmative defense.** It shall be an affirmative
19 defense to prosecution under this chapter that a prohibited
20 foreign party is a resident alien.



1 § **-10 Title to land not invalid.** Title to agricultural
2 land is not invalid or subject to divestiture due to a violation
3 of this chapter by any:

4 (1) Former owner; or

5 (2) Other person holding or owning a former interest in
6 the agricultural land.

7 § **-11 No duty to inquire.** No person who is not subject
8 to this chapter shall be required to determine or inquire
9 whether another person is subject to this chapter.

10 § **-12 Rules.** The department of agriculture may adopt
11 rules pursuant to chapter 91 necessary to effectuate the
12 purposes of this chapter."

13 SECTION 3. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$ or so
15 much thereof as may be necessary for fiscal year 2025-2026 and
16 the same sum or so much thereof as may be necessary for fiscal
17 year 2026-2027 to establish an office of agricultural
18 intelligence, including the establishment of full-time
19 equivalent (FTE) positions.

20 The sums appropriated shall be expended by the department
21 of agriculture for the purposes of this Act.



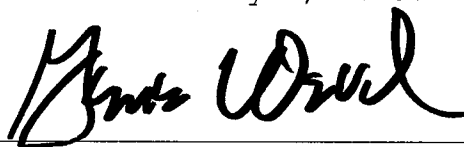
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1 SECTION 4. This Act does not affect rights and duties that
2 matured, penalties that were incurred, and proceedings that were
3 begun before its effective date.

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

5

INTRODUCED BY:



JAN 21 2025



H.B. NO. 884

Report Title:

HDOA; AG; Agricultural Lands; Restrictions on Foreign Ownership; Appropriations

Description:

Prohibits certain foreign parties or their agents, trustees, and fiduciaries from owning, purchasing, or acquiring an interest in agricultural lands. Establishes an Office of Agricultural Intelligence within the Department of Agriculture to investigate claims that land is unlawfully owned by a prohibited foreign party. Requires the Attorney General to undertake enforcement activities. Appropriates moneys.

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