

JAN 15 2025

A BILL FOR AN ACT

RELATING TO FOREIGN OWNERSHIP OF AGRICULTURAL LAND.

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

1 SECTION 1. The legislature finds that Hawaii's
2 agricultural land is a vital resource that must be preserved for
3 the benefit of local farmers, communities, and food security.
4 In 2022, Hawaii had the second-highest percentage of
5 foreign-held agricultural land in the United States, with 12.8
6 per cent of its agricultural land under foreign ownership. Such
7 a high level of foreign ownership raises concerns about land
8 access for local farmers and the economic resilience of Hawaii's
9 food systems.

10 The legislature further finds that the 2023 Consolidated
11 Appropriations Act directs the United States Department of
12 Agriculture to report to Congress on "foreign investments in
13 agricultural land in the United States, including the impact
14 foreign ownership has on family farms, rural communities, and
15 the domestic food supply." This federal directive underscores
16 the need for states like Hawaii to examine and address the
17 implications of foreign-held agricultural land.



1 The purpose of this Act is to ensure that Hawaii's
2 agricultural land remains available and accessible to local
3 farmers and agricultural enterprises by limiting foreign
4 ownership of agricultural land and establishing transparency
5 requirements.

6 SECTION 2. The Hawaii Revised Statutes is amended by
7 adding a new chapter to be appropriately designated and to read
8 as follows:

9 **"CHAPTER**

10 **LIMITATIONS ON THE PURCHASE OF AGRICULTURAL LANDS BY FOREIGN**

11 **ENTITIES**

12 § -1 **Definitions.** As used in this chapter, unless the
13 context otherwise requires:

14 "Agricultural land" means any real property within the
15 agricultural district established pursuant to section 205-2(d).

16 "Foreign entity" means a corporation, business association,
17 partnership, trust, society, or any other entity or group that
18 is not incorporated or organized to do business in the United
19 States, including foreign governments and any agency or
20 subdivision of foreign governments.



1 "Real property" means lands, structures, and interest
2 therein and natural resources, including water, minerals, and
3 all things connected with land, including lands under water and
4 riparian rights, space rights, air rights, and any and all other
5 things and rights usually included with the term.

6 § -2 **Restrictions on foreign ownership of agricultural**
7 **lands.** (a) Except as provided in this chapter, no foreign
8 entity shall own, lease, or hold a controlling interest in more
9 than acres of agricultural land within the State.

10 (b) No agricultural land within the State shall be sold,
11 transferred, or leased for a period exceeding five years to a
12 foreign entity.

13 (c) This section shall not apply to:

14 (1) Inheritance or transfer to family members as part of
15 an estate;

16 (2) Land used for non-agricultural purposes, with approval
17 from the department of agriculture;

18 (3) Leaseholds of five years or less for non-controlling
19 interests in agricultural land; or



(4) Agricultural lands owned, leased, or in which a controlling interest is held by a foreign entity before July 1, 2025.

§ -3 Disclosure and transparency requirements. (a) All foreign entities with ownership or leasehold interest in agricultural land within the State shall file an annual report to the department of agricultural detailing:

- (1) Total acreage and location of land owned or leased;
- (2) Types of agricultural production or land use; and
- (3) Any material changes in ownership or leasehold status.

(b) The department of agriculture shall maintain an online public registry of foreign-owned agricultural lands, including land ownership, acreage, and type of use, within the State.

§ -4 Enforcement and penalties. (a) Any foreign entity in violation of this chapter shall be subject to a fine not exceeding \$ per acre owned in excess of the allowable acreage pursuant to section -2(a).

(b) Foreign entities failing to comply with reporting requirements under section -3 shall be subject to a fine of \$ for each day the report is overdue or incomplete.



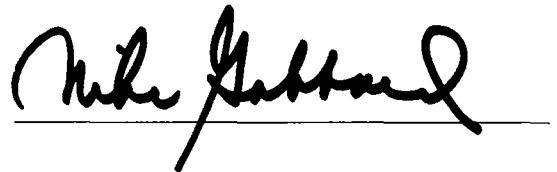
1 (c) Any land transaction made in violation of this chapter
2 shall be deemed void, and ownership of the land subject to the
3 transaction and any funds used in the land transaction shall
4 revert to the transferor or department of the attorney general,
5 as applicable."

6 SECTION 3. There is appropriated out of the general
7 revenues of the State of Hawaii the sum of \$ or so
8 much thereof as may be necessary for fiscal year 2025-2026 and
9 the same sum or so much thereof as may be necessary for fiscal
10 year 2026-2027 for the department of agriculture to maintain a
11 public registry of foreign-owned agricultural lands.

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

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

15
INTRODUCED BY:



S.B. NO. 242

Report Title:

Agricultural Land; Foreign Entities; Lease Limitations;
Appropriation

Description:

Prohibits foreign entities from owning, leasing, or holding a controlling interest in more than an unspecified number of acres of agricultural land. Limits the lease term for agricultural land by foreign entities. Requires foreign entities that own or lease interest in agricultural lands to file an annual report with the Department of Agriculture. Appropriates funds.

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