HOUSE OF REPRESENTATIVES
THIRTY-THIRD LEGISLATURE, 2026
STATE OF HAWAII

H.B. NO. 1572

A BILL FOR AN ACT

RELATING TO AQUACULTURE DEVELOPMENT.

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

SECTION 1. The legislature finds that the State's aquaculture industry has experienced significant decline over the past decade. Recent statistics reflect that the aquaculture industry's value decreased seventeen per cent from 2018 to 2023 and a stagnant number of aquaculture farms have been operating over the past decade. Further, exports of specific pathogen-free shrimp broodstock, a globally significant Hawaii product, has shown a significant decline since 2015. The legislature further finds that this decline has occurred despite the State having comparative advantages in tropical aquaculture, including pristine water resources, established research infrastructure such as the Natural Energy Laboratory of Hawaii Authority and the university of Hawaii, and proximity to premium markets.

The legislature recognizes that Act 96, Session Laws of Hawaii 2025 (Act 96), increased the transient accommodations tax, colloquially termed a "green fee", to generate revenues for

environmental stewardship, climate and hazard resilience, and sustainable tourism purposes. The legislature finds that aquaculture development, particularly restorative aquaculture emphasizing ecosystem services, directly advances all three purposes intended for the funds generated via Act 96, with documented benefits including: water quality improvement through bivalve filtration and seaweed nutrient uptake; carbon sequestration through seaweed cultivation; ocean acidification buffering through localized pH elevation during seaweed photosynthesis; habitat provision through oyster reef and fishpond structures; support for native species including ʻamaʻama (mullet), awa (milkfish), and indigenous limu varieties; and support for local food systems that reduce environmental impacts from food transportation while enhancing visitor experiences through authentic agricultural tourism.

The legislature further finds that sustainable aquaculture expansion simultaneously addresses multiple state policy priorities, including: food security by reducing the State's ninety per cent food import dependency; climate resilience by providing nature-based coastal protection and adaptive food production systems less vulnerable to terrestrial climate

impacts; rural economic development by creating employment opportunities in underserved communities; workforce development by establishing career pathways in emerging blue economy sectors; and environmental justice by supporting community-based resource management and subsistence practices.

Accordingly, the purpose of this Act is to require the department of agriculture and biosecurity to:

(1) Establish a four-year restorative aquaculture development program to reduce aquaculture permit processing time, support restorative aquaculture infrastructure expansion, increase aquaculture education and its workforce, and pursue federal aquaculture grants;

(2) Establish three pilot demonstration sites for restorative aquaculture; and

(3) Convene a restorative aquaculture advisory council.

SECTION 2. (a) The department of agriculture and biosecurity shall establish and implement a restorative aquaculture development program. The program shall prioritize:

(1) Restorative aquaculture operations over non-restorative commercial aquaculture;

(2) Native species and traditional Native Hawaiian systems, including loko i‘a, indigenous limu varieties, and endemic Native Hawaiian aquatic species;

(3) Equitable participation and benefit-sharing with Native Hawaiian practitioners, small-scale producers, and underrepresented communities; and

(4) Public-private partnerships that leverage federal funds, foundation support, and private investment.

(b) The program shall establish measurable performance objectives to be achieved no later than June 30, 2030, including:

(1) Reduction of average aquaculture permit processing time to a target range of twelve to fifteen months, provided that the procedures shall comply with section 91-13.5, Hawaii Revised Statutes;

(2) Pursuing at least $10,000,000 in federal competitive grants for aquaculture development from the following sources:

(A) National Oceanic and Atmospheric Administration (NOAA) coastal partnership grants;

(B) NOAA aquaculture research competitive grants;

(C) United States Department of Agriculture (USDA) Natural Resources Conservation Service programs;

(D) USDA Rural Energy for America program;

(E) United States National Science Foundation and Department of Energy programs supporting sustainable marine systems and climate resilience; and

(F) Other federal programs supporting fisheries restoration, watershed management, and blue carbon research;

provided that the department of agriculture and biosecurity shall coordinate with the university of Hawaii and private sector partners to develop competitive grant proposals and manage federal funding partnerships;

(3) Development of not less than twenty-five new or significantly expanded restorative aquaculture operations, including:

(A) Planning, design, and construction of shared-use hatchery facilities for native and restorative aquaculture species, with priority for

small-scale producers and indigenous Native Hawaiian species including limu, ʻamaʻama, awa, and ʻoʻopu;

(B) Development of shared-use processing, aggregation, and cold storage facilities accessible to small-scale producers;

(C) Establishment and support of aquaculture development zones with coordinated permitting and shared infrastructure;

(D) Development of infrastructure to establish or restore not less than fifteen traditional Native Hawaiian fishponds statewide, integrating subsistence, cultural, and controlled aquaculture production and support for their operations, including water control structures, sluice gates, and educational facilities; and

(E) Capital improvements at existing state facilities, including the Natural Energy Laboratory of Hawaii Authority, to accommodate additional aquaculture tenants;

(4) Facilitating the creation of not less than two hundred fifty direct jobs in aquaculture and related value-chain sectors, especially in rural communities, including:

(A) Development and delivery of aquaculture training programs and youth engagement, including curriculum for secondary schools and community colleges;

(B) Apprenticeship programs connecting students with commercial operations, including utilization of the farmer apprentice mentoring program under section 141-15, Hawaii Revised Statutes, with an emphasis on native species, biosecurity, and restoration techniques;

(C) Technical assistance for small-scale and Native Hawaiian practitioners, including business planning, production techniques, regulatory compliance, and market development;

(D) Scholarships and stipends for students pursuing aquaculture education, with priority for Native

Hawaiian or economically disadvantaged students; and

(E) Support for traditional knowledge transmission through mentorship programs pairing experienced traditional Native Hawaiian fishpond practitioners with new practitioners;

(5) Achieving measurable environmental benefits including:

(A) Restoration of not less than two hundred acres of coastal aquaculture habitat associated with restorative aquaculture systems;

(B) Deployment of restorative aquaculture systems demonstrating water quality improvement in not less than three embayments;

(C) Documentation of carbon sequestration through seaweed cultivation totaling not less than two thousand five hundred tons of carbon dioxide annually by 2030; and

(D) Establishment of baseline monitoring protocols for long-term assessment of aquaculture ecosystem services; and

(6) Demonstration of economic viability of restorative aquaculture through production metrics, market development, and value-chain analysis supporting long-term private sector participation.

(c) The department of agriculture and biosecurity shall submit a report to the legislature no later than twenty days prior to the convening of the regular sessions of 2027, 2028, 2029, and 2030 on:

(1) Progress toward achieving the performance objectives specified in subsection (b), with disaggregated data by island and operation type;

(2) Federal grant applications submitted and awards received, including funding amounts and project descriptions;

(3) Infrastructure development projects completed or in progress, including location, capacity, and utilization rates;

(4) Number of new commercial aquaculture operations supported, categorized by scale and type;

(5) Jobs created, including number of positions, wage ranges, and demographic characteristics;

(6) Environmental benefits documented, including:

(A) Water quality improvements measured through nitrogen, phosphorus, and turbidity reductions;

(B) Carbon sequestration quantified through biomass production data;

(C) Habitat restoration acreage by location and habitat type; and

(D) Native species production volumes;

(7) Support provided to Native Hawaiian practitioners and traditional aquaculture systems, including number of traditional Native Hawaiian fishponds supported, technical assistance provided, and funding allocated;

(8) Workforce development activities including training programs delivered, participants served, and employment outcomes;

(9) Stakeholder engagement activities including advisory council meetings, community consultations, and feedback received; and

(10) Challenges encountered and strategies for addressing those challenges.

(d) The department of agriculture and biosecurity shall contract with an independent third-party to conduct an evaluation of the restorative aquaculture development program under subsection (a) no later than December 31, 2027. The evaluation shall:

(1) Assess progress toward performance objectives with analysis of factors contributing to success or hindering achievement;

(2) Assess return on investment for infrastructure development, including utilization rates and economic impact;

(3) Evaluate federal funding leverage achieved and competitive positioning relative to other states;

(4) Validate environmental benefits through scientific monitoring and third-party verification;

(5) Assess economic impact including jobs created, industry value growth, and multiplier effects;

(6) Evaluate equity outcomes including support for small-scale and Native Hawaiian practitioners;

(7) Identify best practices and derive insights to inform future practices; and

(8) Provide recommendations for program adjustments or continuation.

The findings of the evaluation shall be submitted to the legislature no later than twenty days prior to the convening of the regular session of 2028.

SECTION 3. The department of agriculture and biosecurity shall establish three pilot demonstration sites for restorative aquaculture with verified carbon and ecosystem service monitoring protocols. The monitoring protocols shall measure:

(1) Net ecosystem production and carbon burial rates using accepted field protocols;

(2) Water quality improvements;

(3) Habitat provision and biodiversity benefits; and

(4) Community economic and food security outcomes.

Monitoring data shall be made publicly available and used to support carbon tax credit applications, federal funding proposals, and adaptive management decisions. Baseline data collected shall inform long-term climate finance opportunities and blue carbon market participation.

SECTION 4. (a) The department of agriculture and biosecurity shall convene a restorative aquaculture advisory

council. The advisory council shall consist of the following members:

(1) The chairperson of the board of agriculture and biosecurity, who shall serve as the chairperson of the advisory council;

(2) representatives from relevant state agencies, including the department of land and natural resources, department of health, and office of planning and sustainable development;

(3) representatives from each county planning department;

(4) One member of the house of representatives, to appointed by the speaker of the house;

(5) One member of the senate, to appointed by the president of the senate;

(6) representatives from the university of Hawaii with aquaculture research expertise;

(7) representatives from commercial aquaculture operations, including at least one representative from each county, to be invited by the chairperson;

(8) representatives from small-scale aquaculture operations, including not less than two Native Hawaiian practitioners;

(9) representatives from Native Hawaiian organizations engaged in traditional aquaculture practices, to be invited by the chairperson;

(10) representatives from environmental organizations with expertise in marine conservation and restoration, to be invited by the chairperson; and

(11) One representative from each county with a demonstrated interest in restorative aquaculture, to be invited by the chairperson.

(b) The restorative aquaculture advisory council shall meet at least quarterly to:

(1) Advise on project selection, funding allocation, and performance metrics;

(2) Monitor progress toward the restorative aquaculture development program objectives and environmental stewardship;

(3) Facilitate knowledge exchange and best practice sharing; and

(4) Support federal funding partnerships and grant applications.

SECTION 5. As used in this Act, "restorative aquaculture" means aquaculture operations that demonstrably improve environmental conditions or provide measurable ecosystem services, including:

(1) Water quality improvement through bivalve filtration or nutrient reduction via macroalgae cultivation;

(2) Carbon sequestration or cycling through seaweed and macroalgae systems;

(3) Habitat restoration and creation through oyster reef structures or macroalgae bed or traditional fishpond systems;

(4) Native species recovery, including indigenous limu varities, ʻamaʻama (mullet), awa (milkfish), ʻoʻopu, and other Native Hawaiian species; and

(5) Climate resilience infrastructure providing coastal wave attenuation, acidification buffering, or adaptive food production systems;

as a primary or co-equal production objective, as determined by the department of agriculture and biosecurity in consultation with the department of land and natural resources.

SECTION 6. There is appropriated out of the general revenues of the State of Hawaii the sum of $4,500,000 or so much thereof as may be necessary for fiscal year 2026-2027 to be expended as follows:

(1) $2,000,000 for aquaculture infrastructure development; provided that twenty-five per cent of funds shall be directed to support Native Hawaiian practitioners and traditional aquaculture systems;

(2) $600,000 for aquaculture workforce development and technical assistance; provided that twenty-five per cent of funds shall be directed to support Native Hawaiian practitioners and traditional aquaculture systems;

(3) $1,000,000 for the pursuit of federal grants, including:

(A) Staffing for federal grant identification, development, and management;

(B) Matching funds for competitive federal grants that may be awarded under the proposed Marine Aquaculture Research for America Act or related programs;

(C) Consultant services for grant proposal development;

(D) Partnership development with the university of Hawaii, federal agencies, and private sector entities; and

(E) Compliance with federal grant reporting and performance requirements;

(4) $500,000 for the establishment, operation, and monitoring of restorative aquaculture pilot demonstration sites; and

(5) $400,000 for the establishment and administration of the restorative aquaculture development program, including but not limited to:

(A) Program coordination activities;

(B) Aquaculture advisory council support;

(C) Program technical assistance;

(D) Program performance reporting; and

(E) Stakeholder engagement and community outreach.

The sum appropriated shall be expended by the department of agriculture and biosecurity for the purposes of this Act.

SECTION 7. This Act shall take effect on July 1, 2026; provided that sections 2, 3, and 4 shall be repealed on June 30, 2030.

INTRODUCED BY: _____

JAN 16 2026

H.B. NO. 1572

Report Title:
DAB; Restorative Aquaculture Development Program; Workforce Development; Restorative Aquaculture Advisory Council; Appropriation; Reports

Description:
Requires the Department of Agriculture and Biosecurity to: (1) Establish a four-year Restorative Aquaculture Development Program to reduce aquaculture permit processing time, support aquaculture infrastructure expansion, increase the aquaculture workforce, and pursue federal aquaculture grants; (2) Establish three pilot demonstration sites for restorative aquaculture; and (3) Convene a Restorative Aquaculture Advisory Council. Requires reports to the Legislature. Appropriates funds.

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