

H.B. NO. 2246

A BILL FOR AN ACT

RELATING TO AGRICULTURAL GRANT ADMINISTRATION.

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

1 SECTION 1. The legislature finds that federal agricultural
2 grants provide financial support to Hawaii's agricultural
3 industry. The department of agriculture and biosecurity
4 actively pursues these federal grants and has recently hired a
5 grant writer, whose efforts have yielded great results. Since
6 November 2024, \$8,899,450.16 in federal grant funds have been
7 obtained from the United States Department of Agriculture and
8 another \$5,285,000 in grants have applications in process. Many
9 of the federal grants being pursued by the department provide
10 for indirect overhead reimbursements or an allowable management
11 fee to reimburse the State for costs associated with management
12 of certain federal grants. The establishment of a formal
13 agricultural grant program and a revolving fund would allow the
14 department to retain these funds and cover a portion of the
15 program costs. Funds from the revolving fund would be used to
16 search for additional grant opportunities, develop program
17 applications to monitor grant execution, ensure compliance with
18 grant requirements, and to audit grant expenditures. Moneys in

H.B. NO. 2246

1 the fund will also be used for consultant services and
2 operational expenses.

3 SECTION 2. Chapter 141, Hawaii Revised Statutes, is
4 amended by adding to part I, two new sections to be
5 appropriately designated and to read as follows:

6 **§141- Agricultural grant program; established.** (a)

7 There is established in the department of agriculture and
8 biosecurity an agricultural grant program to search, apply, and
9 administer federal agricultural grant opportunities that could
10 benefit the Hawaii agricultural industry.

11 (b) The department of agriculture and biosecurity may
12 retain and expend federal indirect overhead reimbursements for
13 grants as determined by the chairperson of the board of
14 agriculture and biosecurity.

15 **§141- Agricultural grant revolving fund.** (a) There is
16 established in the state treasury an agricultural grant
17 revolving fund into which shall be deposited the department of
18 agriculture and biosecurity's share of federal indirect overhead
19 reimbursements, pursuant to section 141- . The department of
20 agriculture and biosecurity may expend funds in the agricultural
21 grant revolving fund to search for discretionary grants, develop
22 program applications to secure additional revenues for the

H.B. NO. 2246

1 department of agriculture and biosecurity, monitor grant
2 execution, ensure compliance with grant requirements, and audit
3 grant expenditures. Moneys in the revolving fund may be
4 expended for consultant services and operational expenses,
5 including the hiring of temporary staff.

6 (b) The department of agriculture and biosecurity shall
7 prepare and submit an annual report on the status of federal
8 agricultural grants revolving fund to the legislature. The
9 annual report shall include but not be limited to a list of the
10 grant applications to federal agencies and the grant awards
11 received."

12 SECTION 3. New statutory material is underscored.

13 SECTION 4. This Act, upon its approval, shall take effect
14 on July 1, 2026.

15

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INTRODUCED BY:

Madie K. Nelson

17

BY REQUEST

JAN 26 2026

H.B. NO. 2246

Report Title:

DAB; Agricultural Grant Program; Revolving Fund; Annual Report

Description:

Creates an agricultural grant program and revolving fund for the purposes of grant application, execution, reporting and auditing to be administered by the Department of Agriculture and Biosecurity. Effective July 1, 2026.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: AGRICULTURE AND BIOSECURITY

TITLE: A BILL FOR AN ACT RELATING TO AGRICULTURAL GRANT ADMINISTRATION.

PURPOSE: To establish an agricultural grant program and revolving fund to retain and expend federal grant indirect overhead reimbursements.

MEANS: Add two new sections to part I of chapter 141, Hawaii Revised Statutes.

JUSTIFICATION: Federal agricultural grants are an important resource for Hawaii farmers, ranchers, and processors and provide additional financial support for the agricultural industry. The Department currently seeks federal grant opportunities, and the proposed revolving fund provides the mechanism to allow the Department to retain and expend federal overhead reimbursement moneys to seek additional grant opportunities, develop program applications to monitor grant execution, ensure compliance with grant requirements and to audit grant expenditures.

Impact on the public: Increased federal grant opportunities.

Impact on the department and other agencies: The Department will have increased ability to seek federal grants with greater resources for grant management and audits.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: AGR-192.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: July 1, 2026.