

JAN 28 2026

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## A BILL FOR AN ACT

RELATING TO TRANSPORTATION OF AGRICULTURE.

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

1 SECTION 1. The legislature finds that increasing local  
2 agricultural production is essential to the long-term  
3 sustainability and food security of the State. However, local  
4 agricultural producers face significant economic challenges,  
5 particularly with the high costs of transporting agricultural  
6 products and necessary supplies across the State. In a recent  
7 survey report on Hawaii commercial agricultural expansion,  
8 thirty-nine per cent of participating local ranchers and farmers  
9 cited shipping and transportation costs as a leading barrier to  
10 the expansion of their agricultural production. These  
11 transportation costs place undue strain and financial burdens on  
12 farmers and ranchers, limiting their ability to compete in local  
13 markets and reducing the overall productivity of Hawaii's  
14 agricultural sector. Additionally, in response to the economic  
15 tariffs being implemented by the Trump administration, the  
16 Hawaii department of transportation harbors division, reported  
17 that effective July 1, 2025, the tariff for wharfage and



1 pipeline toll rates will reflect a 4.1 per cent increase,  
2 further adding to the strain on local producers.

3 The legislature recognizes that, to successfully scale up  
4 local production, the establishment of a cost reimbursement  
5 program that offsets the increased transportation costs of  
6 agricultural producers is necessary to ensure growth in the  
7 agricultural sector. The financial relief provided by a cost  
8 reimbursement program would help strengthen local agriculture,  
9 encourage greater self-sufficiency, support the State's broader  
10 efforts to diversify its economy, and promote sustainable  
11 agricultural practices.

12 Accordingly, the purpose of this Act is to establish a  
13 local agriculture transportation cost reimbursement program to  
14 ensure that certain local agricultural producers, including  
15 those that manage livestock and produce essential commodities,  
16 and those engaged in floriculture and nursery production,  
17 receive support to offset the high costs of transporting goods  
18 to market and to obtain necessary supplies.

19 SECTION 2. Chapter 145, Hawaii Revised Statutes, is  
20 amended by adding a new section to part II to be appropriately  
21 designated and to read as follows:



1        **§145- Local agriculture transportation cost**

2        **reimbursement program; rules.** (a) There is established within  
3        the department of transportation a local agriculture  
4        transportation cost reimbursement program to reimburse eligible  
5        agricultural producers for a portion of the producer's costs to  
6        transport agricultural commodities.

7        (b) To be eligible to receive reimbursement payments  
8        pursuant to this section, an agricultural producer shall:

9            (1) Be an owner of livestock or a producer of agricultural  
10          commodities in the State, a cooperative aggregator or  
11          food hub, or a start-up or small-scale farmer  
12          demonstrating commercial intent that earns below the  
13          threshold of gross receipts under paragraph (3);

14            (2) Incur costs for transporting in a covered motor  
15          vehicle or through air cargo, parcel, or water cargo  
16          carrier services:

17            (A) Livestock, livestock products, or agricultural  
18          commodities to market within the State; or

19            (B) Supplies for the use of the agricultural  
20          producer; and



1       (3) Provide to the department of transportation proof that  
2           the agricultural producer has annual gross receipts  
3           totaling \$                  or more.

4       (c) The total amount of reimbursement payments disbursed  
5           pursuant to this section shall not exceed \$                  in any  
6           year; provided that no single producer shall receive more than  
7           \$25,000 or fifty per cent of their eligible transportation costs  
8           per fiscal year, whichever is less; provided further that no  
9           single cooperative aggregator or food hub shall receive more  
10           than \$50,000 or fifty per cent of their eligible transportation  
11           costs per fiscal year, whichever is less.

12       (d) The department of transportation shall submit an  
13           annual report to the legislature no later than twenty days prior  
14           to the convening of each regular session. The report shall  
15           include:

16       (1) The total number of producers reimbursed;  
17       (2) The total amount of funds disbursed; and  
18       (3) Any recommendations for improvements or modifications  
19           to the program.

20       (e) For the purposes of this section:



1        "Agricultural commodity" has the same meaning as defined in  
2        section 145-21, including nursery production.

3        "Covered motor vehicle" means a motor vehicle:  
4        (1)    Registered and owned by an owner of livestock or a  
5        producer of agricultural commodities in the State; and  
6        (2)    Used for the transport of livestock, livestock  
7        products, agricultural commodities, and supplies  
8        within the State."

9        SECTION 3. There is appropriated out of the general  
10      revenues of the State of Hawaii the sum of \$                      or so  
11      much thereof as may be necessary for fiscal year 2026-2027 for  
12      the department of transportation to fund and administer the  
13      local agriculture transportation cost reimbursement program  
14      established pursuant to this Act.

15       The sum appropriated shall be expended by the department of  
16      transportation for the purposes of this Act.

17       SECTION 4. There is appropriated out of the general  
18      revenues of the State of Hawaii the sum of \$                      or so  
19      much thereof as may be necessary for fiscal year 2026-2027 to  
20      establish and fund one full-time equivalent (1.0 FTE) position  
21      within the department of transportation to administer the local



1 agriculture transportation cost reimbursement program  
2 established pursuant to this Act.

3 The sum appropriated shall be expended by the department of  
4 transportation for the purposes of this Act.

5 SECTION 5. New statutory material is underscored.

6 SECTION 6. This Act shall take effect on July 1, 2026.

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INTRODUCED BY: 



# S.B. NO. 3221

**Report Title:**

DOT; Agriculture Transportation; Shipping Costs; Reimbursements; Position; Appropriations

**Description:**

Establishes a Local Agriculture Transportation Cost Reimbursement Program within the Department of Transportation to reimburse eligible ranchers and farmers a portion of their costs to transport livestock, livestock products, agricultural commodities, and certain supplies, under certain conditions. Establishes a position to administer the Program. Appropriates funds.

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

