THE SENATE
THIRTY-THIRD LEGISLATURE, 2026
STATE OF HAWAII

S.B. NO. 3233 S.D. 1

A BILL FOR AN ACT

RELATING TO AGRICULTURAL WORKFORCE HOUSING.

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

SECTION 1. The legislature finds that agricultural workforce housing is essential to developing and sustaining the workforce needed to move Hawaii's agricultural sector forward. Agriculture across the State, particularly on the neighbor islands, faces persistent labor shortages driven in part by limited and high-cost housing options that make it difficult to recruit and retain workers. Without reliable and proximate housing, farms struggle to maintain stable operations, expand production, or meet institutional and local food demand.

The legislature further finds that agricultural workforce housing produces broad public benefits that extend far beyond individual employers. These benefits include improved food security, greater production reliability, strengthened rural and neighbor island economies, enhanced worker safety, and more resilient communities. Because these benefits accrue statewide and support the State's long-term goals for food production and economic diversification, it is appropriate to recognize

agricultural workforce housing as a public good worthy of incentive, rather than impose new regulatory mandates on farmers.

The legislature also finds that Hawaii's agricultural workforce is experiencing significant decline and demographic pressure. According to the United States Department of Agriculture's 2022 Census of Agriculture, the total number of farms in Hawaii has decreased by approximately ten per cent over the most recent reporting period, and nearly half of the State's agricultural producers are sixty-five years of age or older. These trends underscore the urgent need for policies that attract, retain, and stabilize the next generation of agricultural workers. Workforce housing remains one of the most critical barriers to building a reliable agricultural labor force, especially on the neighbor islands where housing scarcity and high costs pose substantial challenges.

The purpose of this Act is to support Hawaii's agricultural workforce by incorporating agricultural workforce housing as a scored public benefit within existing state evaluation and decision-making processes.

SECTION 2. (a) Any state agency administering agricultural leases, licenses, development programs, or procurement involving agricultural products, in accordance with sections 103D-302 and 103D-303, Hawaii Revised Statutes, including but not limited to the department of agriculture and biosecurity and the agribusiness development corporation, shall award additional points or preferences to agricultural projects that voluntarily provide:

(1) On-site or proximate workforce housing for agricultural workers; or

(2) Formal partnerships that secure housing for a portion of the agricultural workforce associated with the project.

(b) Any state agency awarding points and preferences pursuant to subsection (a), shall develop scoring rubrics and guidelines for awarding additional points or preferences, which shall include:

(1) Preference for projects that provide housing for workers from multiple independent farm operations;

(2) Formal partnerships that secure housing for a portion of the agricultural workforce associated with the project; and

(3) A cap ensuring that no single agricultural operation or affiliated entity shall be allocated more than fifty per cent of the total units within a state-funded or state-incentivized agricultural workforce housing project.

(c) To qualify for additional points or preferences under subsection (a), an agricultural project shall demonstrate plans to provide housing for at least twenty per cent of the agricultural workforce associated with the project; provided that state agencies under subsection (a) may authorize:

(1) Phased implementation over time;

(2) Scaled requirements based on farm size, project type, or labor needs; and

(3) Region-specific flexibility to account for neighbor island conditions, available housing stock, and infrastructure capacity.

(d) State agencies may update existing scoring rubrics, guidelines, or program rules to implement this section without the need for additional statutory authority.

(e) Nothing in this Act shall be construed to:

(1) Create a mandate that agricultural operators provide workforce housing;

(2) Penalize applicants that do not provide workforce housing; or

(3) Supersede or alter existing health, safety, or land-use requirements applicable to housing development.

(f) For the purposes of this section:

"Agricultural project" means any agricultural, aquacultural, or agroforestry project applying for or participating in a:

(1) State agricultural land lease or license;

(2) State-supported agricultural development program; or

(3) State procurement, in accordance with sections 103D-302 and 103D-303, Hawaii Revised Statutes, grant, or institutional purchasing contract that includes agricultural production.

"Agricultural workforce housing" means on-site, proximate, or partnered housing arrangements intended to accommodate agricultural workers employed by, contracted with, or directly supporting an agricultural project.

"State agency" means all executive departments, boards, and commissions of the State and all public corporations created by the legislature. "State agency" does not include any contractor with the State.

SECTION 3. The department of agriculture and biosecurity shall submit a report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2027. The report shall include:

(1) Implementation of the incentive scoring provisions in this Act;

(2) The number of applicants that received additional points or preference;

(3) Challenges encountered; and

(4) Recommendations for improving or expanding the incentive framework.

SECTION 4. This Act shall take effect on July 1, 2050.

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Report Title:
DAB; ADC; State Agencies; Agricultural Workforce Housing Incentives; Agricultural Leases; State Procurement; Preferences; Report

Description:
Requires state agencies, including the Department of Agriculture and Biosecurity and Agribusiness Development Corporation, that administer agricultural leases, licenses, development programs, or procurement involving agricultural products to award points or preferences to agricultural projects incorporating agricultural workforce housing. Requires a report to the Legislature. Effective 7/1/2050. (SD1)

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