

A BILL FOR AN ACT

RELATING TO RESILIENCY.

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

1 Part I

2 SECTION 1. The purpose of this Act is to support state
3 goals for climate and food resiliency.

4 Part II

5 SECTION 2. The legislature finds that local agriculture is
6 an essential component of achieving the State's climate, food
7 resiliency, and economic development goals. Strengthening local
8 food systems and climate-conscious local agriculture is critical
9 to the environmental and economic health of the State. To
10 achieve the State's sustainability targets, economic incentives
11 are necessary to implement sustainable, resilient, and equitable
12 farming statewide.

13 Therefore, the purpose of this part is to establish a tax
14 credit for farms that practice sustainable agricultural
15 practices.



1 SECTION 3. Chapter 235, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§235- Agroecological and climate-smart farming
5 practices tax credit. (a) There shall be allowed to each
6 qualified taxpayer subject to the tax imposed under this chapter
7 an agroecological and climate-smart farming practices tax credit
8 that shall be deductible from the taxpayer's net income tax
9 liability, if any, imposed by this chapter for the taxable year
10 in which the credit is properly claimed.

11 (b) The amount of the tax credit shall be equal to the
12 qualified expenses of the qualified taxpayer, up to a maximum of
13 \$25,000 per taxpayer per taxable year. The total amount of tax
14 credits allowed under this section shall not exceed
15 \$ _____ for all qualified taxpayers in any taxable year;
16 provided that any taxpayer who is not eligible to claim the
17 credit in a taxable year due to the \$ _____ cap having been
18 exceeded for that taxable year shall be eligible to claim the
19 credit in the subsequent taxable year.

20 (c) In the case of a partnership, S corporation, estate,
21 or trust, the tax credit allowable shall be for qualified



1 expenses incurred by the entity for the taxable year. The
2 expenses upon which the tax credit is computed shall be
3 determined at the entity level. Distribution and share of the
4 credit shall be determined by rule.

5 (d) Every qualified taxpayer, before March 31 of each year
6 in which qualified expenses were incurred by the taxpayer in the
7 previous taxable year, shall submit a written, certified
8 statement to the chairperson of the board of agriculture and
9 biosecurity identifying:

10 (1) Qualified expenses incurred in the previous taxable
11 year; and
12 (2) The amount of the tax credit claimed by the taxpayer
13 pursuant to this section, if any, in the previous
14 taxable year.

15 (e) The board of agriculture and biosecurity, in
16 consultation with the department of taxation, shall establish
17 clear standards for certifying qualified expenses and eligible
18 farming practices, which shall be reflected in administrative
19 rules adopted by the department of agriculture and biosecurity
20 to ensure uniformity and efficiency in administering the tax
21 credit.



1 (f) The director of taxation:

2 (1) Shall prepare any forms that may be necessary to claim
3 a tax credit under this section;

4 (2) May require the taxpayer to furnish reasonable
5 information to ascertain the validity of the claim for
6 the tax credit made under this section; and

7 (3) May adopt rules under chapter 91 necessary to carry
8 out the purposes of this section.

9 (g) If the tax credit under this section exceeds the
10 taxpayer's net income tax liability, the excess amount may be
11 refunded or carried forward for up to five consecutive taxable
12 years. All claims for the tax credit under this section,
13 including amended claims, shall be filed on or before the end of
14 the twelfth month following the close of the taxable year for
15 which the credit may be claimed. Failure to comply with the
16 foregoing provision shall constitute a waiver of the right to
17 claim the credit.

18 (h) For the purposes of this section:

19 "Agroecological and climate-smart farming practices" means
20 sustainable farming practices that promote soil quality and
21 health; fertility management for organic and conventional



1 farming systems; preventative and biological pest management;
2 crop rotation, cover cropping, and polycultures; and the
3 conservation or restoration of native and Polynesian-introduced
4 plants to agricultural landscapes. Sustainable farming
5 practices shall include but not be limited to Native Hawaiian
6 agricultural systems such as loi kalo wetland cultivation,
7 dryland field systems, agroforestry, and loko ia fishponds.

8 "Net income tax liability" means income tax liability
9 reduced by all other credits allowed under this chapter.

10 "Qualified taxpayer" means a farmer that adopts
11 agroecological and climate-smart farming practices."

Part III

13 SECTION 4. The legislature finds that one in three
14 households in Hawaii are struggling to secure consistent access
15 to food. This data paints a sobering picture of families in
16 distress, underscoring the need for immediate action to restore
17 the basic dignity of nourishment to every household across the
18 islands.

19 The legislature further finds that the crisis
20 disproportionately affects the most vulnerable in Hawaii: the
21 keiki. Nearly thirty per cent of children in Hawaii are growing



1 up in food-insecure homes, some enduring entire days without a
2 meal. When experiencing hunger, keiki can face increased risk
3 of cognitive issues, aggression, anxiety, behavioral problems,
4 depression, and suicidal ideation. For families facing hunger,
5 fresh, healthy produce is often one of the first things removed
6 from grocery lists, negatively affecting long-term health.

7 The legislature also finds that this emergency
8 disproportionately impacts Native Hawaiian and Pacific Islanders
9 in the State the most, with more than forty per cent of
10 households experiencing food insecurity, a reflection of
11 longstanding inequities in access to resources, economic
12 opportunity, and essential services. The legislature believes
13 that the State's communities should not bear this burden alone.

14 The legislature recognizes that Hawaii's food banks worked
15 with over five hundred agency partners, such as schools,
16 community-based nonprofits, churches, community centers, and
17 food pantries, to distribute more than twenty-nine million meals
18 in 2024.

19 The legislature additionally finds that, to try to bridge
20 the gap between the State's food banks and their partners to
21 bring fresh, Hawaii-grown produce to families, the food banks



1 have partnered with five hundred seventy-five local farms and
2 food hubs to create a consistent market for Hawaii agricultural
3 producers, strengthening the State's community food systems and
4 creating a healthier, more resilient Hawaii.

5 The legislature notes that efforts to invest in local
6 agriculture and support local farmers builds resiliency within
7 the State and avoids greenhouse gas emissions from the shipment
8 of food to the State. As the cost of importing food continues
9 to rise, increasing the State's reliance on local agriculture is
10 not only a sustainable solution but also a necessary one. With
11 proper support, farmers across Hawaii have the potential to grow
12 more fresh, nutritious food that can directly serve those most
13 in need. By strengthening the connection between local farms
14 and community food systems, the State can reduce its dependence
15 on imports and ensure that more families have access
16 to Hawaii-grown produce like uala, choy sum, bok choy, long
17 beans, ulu, kalo, and more.

18 The legislature further finds that programs that encourage
19 partnerships between farmers and food assistance programs can
20 make a profound impact. By investing in Hawaii-grown
21 agricultural producers, the State can support not only local



1 farmers but also the communities they feed. This approach
2 aligns with the values of malama aina--caring for the land--and
3 ensures that the State honors the deep connection between the
4 land and the people of Hawaii. Uplifting local farmers will
5 also uplift the entire community, fostering a more resilient
6 food system that can withstand future challenges.

7 Accordingly, the purpose of this part is to establish and
8 appropriate funds for the Hawaii farm to families program to
9 fund food banks in the State to purchase, store, and transport
10 fresh, Hawaii-grown or -produced food to food insecure
11 communities. This program will serve the State's food needs,
12 provide Hawaii's agricultural producers with a market to support
13 their operations, and keep moneys circulating within the State
14 to boost the local economy.

15 SECTION 5. Chapter 141, Hawaii Revised Statutes, is
16 amended by adding a new part to be appropriately designated and
17 to read as follows:

18 **"PART . HAWAII FARM TO FAMILIES PROGRAM**

19 **§141- Definitions.** As used in this part:

20 "Department" means the department of agriculture and
21 biosecurity.



1 "Food bank" has the same meaning as in title 7 United
2 States Code section 7501(5).

3 "Fresh, Hawaii-grown or -produced food" means fruits,
4 vegetables, nuts, coffee, eggs, poultry and poultry products,
5 livestock products, milk and milk products, aquacultural and
6 maricultural products, and horticultural products that are one
7 hundred per cent grown, raised, and harvested in Hawaii.

8 **§141- Hawaii farm to families program.** (a) There is
9 established the Hawaii farm to families program to be
10 administered by the department. Under the program, the
11 department shall relieve food shortages by providing funds to
12 food banks located in the State to facilitate consistent supply
13 chains of fresh, Hawaii-grown or -produced food to food insecure
14 communities.

15 (b) Food banks that receive support pursuant to this
16 section shall use the funds to purchase, store, and transport
17 fresh, Hawaii-grown or -produced food in the State to recipients
18 at no cost to the recipients.

19 **§141- Rules.** The department shall adopt rules pursuant
20 to chapter 91 necessary to effectuate the purposes of this
21 part."



1 SECTION 6. The department of agriculture and biosecurity
2 shall submit a report to the legislature no later than twenty
3 days prior to the convening of the regular sessions of 2027 and
4 2028, which shall include a summary of the activities of the
5 Hawaii farm to families program, including:

6 (1) The amount of funds expended by the program;
7 (2) Food banks participating in the program, broken down
8 by county;
9 (3) Amount of food purchased and distributed, by volume
10 and dollar value;
11 (4) Category of food purchased and their island origin, by
12 volume and dollar value; and
13 (5) Any other findings and recommendations, including any
14 proposed legislation.

15 SECTION 7. There is appropriated out of the general
16 revenues of the State of Hawaii the sum of \$ or so
17 much thereof as may be necessary for fiscal year 2026-2027 to
18 implement the Hawaii farm to families program.

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

21 Part IV



1 SECTION 8. The legislature finds that the State currently
2 imports nearly eighty-five to ninety per cent of its food,
3 making the State vulnerable to external supply chain
4 disruptions. Farm to school programs provide an opportunity to
5 increase local food procurement and resilience, reduce the
6 State's reliance on imported goods, reduce greenhouse gases that
7 would have been emitted from shipping food into the State, and
8 strengthen the State's agricultural economy.

9 The legislature additionally finds that Act 137, Session
10 Laws of Hawaii 2025, further clarified the expectations of farm
11 to school meals by requiring the department of education to
12 ensure that by January 1, 2030, fresh local agricultural
13 products and local value-added processed, agricultural, or food
14 products shall constitute a minimum of thirty per cent of the
15 total food purchased during each calendar year, as measured by
16 the per cent of total food cost.

17 The legislature also finds that expanding local farm
18 procurement in farm to school initiatives would support Hawaii's
19 small- and medium-sized farms and that prioritizing the
20 procurement of locally grown Native Hawaiian crops, such as
21 kalo, uala, and ulu, aligns with Hawaii's commitment to food



1 sovereignty, climate resilience, and indigenous agricultural
2 practices. Increasing local farm procurement in schools would
3 provide stable, institutional markets for the State's farmers,
4 thereby fostering economic growth and workforce development in
5 the State.

6 Accordingly, the purpose of this part is to require the
7 department of education to develop systems to support local
8 farms and encourage participation in the State's farm to school
9 meals systems.

10 SECTION 9. Section 302A-405.6, Hawaii Revised Statutes, is
11 amended to read as follows:

12 **"§302A-405.6 Farm to school meals.** (a) The department
13 shall ensure that by January 1, 2030, fresh local agricultural
14 products and local value-added processed, agricultural, or food
15 products shall constitute a minimum of thirty per cent of the
16 total food purchased during each calendar year, as measured by
17 the per cent of total food cost.

18 (b) The department shall:

19 (1) Streamline the procurement process to make it easier
20 for small- and medium-scale farmers to sell to
21 schools, including simplifying contracting



1 requirements and increasing flexibility in sourcing
2 policies;

3 (2) Develop a statewide database of local farms that are
4 eligible and interested in supplying food for school
5 meals to facilitate farm to school meal connections;

6 (3) Increase financial incentives for schools to purchase
7 locally sourced food through grant programs,
8 subsidies, or farm to school meal budget allocations;
9 and

10 (4) Ensure culturally appropriate foods, such as
11 kalo, uala, and ulu, are incorporated into school meal
12 programs.

13 [+b)] (c) The department shall submit an annual report to
14 the legislature no later than twenty days prior to the convening
15 of each regular session, beginning with the regular session of
16 2022, containing the following information:

17 (1) The status of the department's progress in meeting the
18 local farm to school meal goal;
19 (2) The percentage of food served in public schools that
20 consists of locally sourced products, by county, as
21 measured by the percentage of the total cost of food;



(3) The costs associated with the farm to school meals program and any savings realized;

(4) A list of all large purchases of locally sourced products and the identity of the seller;

(5) A list of meals on a school menu consisting of the largest percentage of locally sourced products, as measured by the percentage of the total cost of food;

(6) The percentage of fresh food served, by county, as measured by the percentage of the total cost of food;

(7) The percentage of processed food served, by county, as measured by the percentage of the total cost of food;

(8) A description of the training conducted to prepare cafeteria staff for cooking meals from scratch; and

(9) The percentage of locally sourced products purchased from the department's largest distributors, as measured by the percentage of the total cost of food.

[+e] (d) For the purposes of this section:

"Fresh local agricultural products" means fruits, vegetables, nuts, coffee, eggs, poultry and poultry products, stock and livestock products, milk and milk products, cultural and maricultural products, and horticultural



- 1 products that are one hundred per cent grown, raised, and
- 2 harvested in Hawaii.

3 "Local value-added processed, agricultural, or food
4 products" means at least fifty-one per cent of the product's
5 primary agricultural product shall be grown, raised, and
6 harvested in Hawaii.

7 "Locally sourced products" means fresh local agricultural
8 products or local value-added processed, agricultural, or food
9 products.

10 "Primary agricultural product" means the major agricultural
11 product in a processed or value-added agricultural or food
12 product."

Part V

14 SECTION 10. If any provision of this Act, or the
15 application thereof to any person or circumstance, is held
16 invalid, the invalidity does not affect other provisions or
17 applications of the Act that can be given effect without the
18 invalid provision or application, and to this end the provisions
19 of this Act are severable.

20 SECTION 11. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 12. This Act shall take effect upon its approval;

2 provided that:

3 (1) Section 3 shall apply to taxable years beginning after
4 December 31, 2025; and

5 (2) Part III shall take effect on July 1, 2026.

6

INTRODUCED BY: Mike Gabbard



S.B. NO. 3318

Report Title:

DAB; DOTAX; DOE; Agroecological and Climate-Smart Farming Practices Tax Credit; Hawaii Farm to Families Program; Farm to School Meals; Agriculture; Food Systems; Reports; Appropriation

Description:

Part II: For taxable years beginning after 12/31/2025, establishes an Agroecological and Climate-Smart Farming Practices Tax Credit to be administered by the Department of Taxation. Part III: Establishes the Hawaii Farm to Families Program and requires the Department of Agriculture and Biosecurity to submit reports to the Legislature. Appropriates funds. Part IV: Requires the Department of Education to strengthen the State's farm to school meals program initiatives.

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

