

Honolulu, Hawaii

MAR 25 , 2026

RE: S.B. No. 2595
S.D. 1
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Agriculture & Food Systems, to which was referred S.B. No. 2595, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require payments to the Agribusiness Development Corporation for letting, licensing, or renting of its real property to be at market rates or higher; and
- (2) Exempt from the market-rate payment requirement:
 - (A) Lessees, licensees, and tenants who grow, raise, and harvest fresh local agricultural products for the Department of Education; and
 - (B) Partner members of the Food and Product Innovation Network.

Your Committee received testimony in support of this measure from the Hawai'i Food+ Policy and Hawai'i Farm Bureau. Your



Committee received comments on this measure from the Office of Hawaiian Affairs and Hawai'i Farmers Union United.

Your Committee finds that requiring payments to the Agribusiness Development Corporation for the leasing, licensing, or renting of its properties to be set at market rates or higher will strengthen the responsible management of state agricultural lands. Your Committee further finds that the exemption provided by this measure for lessees and tenants who grow fresh local agricultural products for the Department of Education or who are partner members of the Food and Product Innovation Network ensures that farms engaged in local food production can remain viable and continue contributing to the State's food supply.


Your Committee has amended this measure by:

- (1) Establishing the new statutory language regarding the payments to the Agribusiness Development Corporation for letting, licensing, or renting of its real property to be at market rates or higher as a new section under chapter 163D, Hawaii Revised Statutes, rather than under the statutory provisions establishing the powers of the Agribusiness Development Corporation;
- (2) Clarifying that the market rate shall be determined by an appraisal requested by the prospective lessee, licensee, or tenant that is conducted using the Uniform Standards of Professional Appraisal Practice;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture & Food Systems that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2595, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2595, S.D. 1, H.D. 1, and be referred to your Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Agriculture & Food
Systems,



CORY CHUN, Chair



