

STAND. COM. REP. NO. 2496

Honolulu, Hawaii

FEB 20 2026

RE: S.B. No. 2805
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 2805 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a nonrefundable income tax credit to incentivize significant investment in agricultural production and support the expansion of agricultural crops that take longer to become productive.

Your Committee received testimony in support of this measure from the Agribusiness Development Corporation, Department of Agriculture and Biosecurity, Hawai'i Farm Bureau, Hawai'i Farmers Union United, and Hawai'i Food+ Policy.

Your Committee received comments on this measure from the Tax Foundation of Hawaii and one individual.

Your Committee finds that Hawaii agriculture faces uniquely high capital costs driven by land prices, shipping, energy, labor, and regulatory compliance, which discourage private investment in critical agricultural infrastructure. Investment in irrigation systems, fencing, equipment, greenhouses, food processing facilities, and aquaculture operations is necessary to expand local production and improve food security. This measure will provide a responsible and consistent tax credit to allow financial



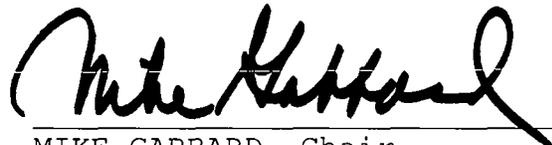
institutions and investors to model agricultural projects with greater certainty, improve lending decisions, and reduce reliance on ad hoc state appropriations.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2805, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2805, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Agriculture and
Environment,



MIKE GABBARD, Chair



