



The National Agricultural Law Center

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States' Differential Tax Assessment of Agricultural Land Statutes *Hawaii*



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A National Agricultural Law Center Research Publication

States' Differential Tax Assessment of Agricultural Land Statutes State of Hawaii

[Haw. Rev. Stat. § 205-46](#)

Current through the end of the 2018 Second Special Session.

§ 205-46. Incentives for important agricultural lands

(a) To achieve the long-term agricultural viability and use of important agricultural lands, the State and each county shall ensure that their:

(1) Agricultural development, land use, water use, regulatory, tax, and land protection policies; and

(2) Permitting and approval procedures,

enable and promote the economic sustainability of agriculture.

Agricultural operations occurring on important agricultural lands shall be eligible for incentives and protections provided by the State and counties pursuant to this section to promote the viability of agricultural enterprise on important agricultural lands and to assure the availability of important agricultural lands for long-term agricultural use.

(b) State and county incentive programs shall provide preference to important agricultural lands and agricultural businesses on important agricultural lands. The State and each county shall cooperate in program development to prevent duplication of and to streamline and consolidate access to programs and services for agricultural businesses located on important agricultural lands.

(c) Incentive and protection programs shall be designed to provide a mutually supporting framework of programs and measures that enhance agricultural viability on important agricultural lands, including but not limited to:

(1) Grant assistance;

(2) Real property tax systems that support the needs of agriculture, including property tax assessments based on agricultural use valuation;



- (3) Reduced infrastructure requirements and facilitated building permit processes for dedicated agricultural structures;
 - (4) Tax incentives to offset operational costs, promote agricultural business viability, and promote the long-term protection of important agricultural lands;
 - (5) Agricultural business planning, marketing, and implementation grants;
 - (6) Tax incentives and programs for equity investments and financing for agricultural operations, including agricultural irrigation systems;
 - (7) Other programs and mechanisms that promote investment in agricultural businesses or agricultural land protection, such as the purchase of development rights;
 - (8) State funding mechanisms to fund business viability and land protection programs;
 - (9) Water regulations and policies that provide farmers of important agricultural lands access to adequate and cost-effective sources of water;
 - (10) Other measures that would ensure that state capital investments, projects, programs, and rules are consistent with this part; and
 - (11) Agricultural education and training for new farmers; upgrading the skills of existing farmers and other agriculture-related employees through the use of mentoring, business incubators, and public or private scholarships; and increasing the returns of farming by adding value to food processing and other tools and methods.
- (d) State and county agencies shall review the protection and incentive measures enacted for important agricultural lands and agricultural viability pursuant to this chapter at least every five years to:
- (1) Determine their effectiveness in sustaining agriculture in Hawaii, assuring agricultural diversification, and increasing agricultural self-sufficiency;
 - (2) Determine whether the effectiveness of tax credits or incentive programs will be enhanced by creating revolving funds or increasing rates based upon the tax revenues generated by enhanced investment and agricultural activities on important agricultural lands; and
 - (3) Modify measures and programs as needed.

