
A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

PART I

SECTION 1. The purpose of this part is to:

- (1) Promote fiscal accountability with regard to agricultural land lease agreements between the State and lessees by authorizing the agribusiness development corporation to contract with financial institutions as lease income collection agents; and
- (2) Require agricultural leases of fifty-five years or greater for lands in the Waialua area on the island of Oahu acquired from the Galbraith Estate.

SECTION 2. Section 163D-7, Hawaii Revised Statutes, is amended to read as follows:

"~~§163D-7~~ **Agricultural projects; agricultural development plans.** (a) The corporation may develop and implement agricultural projects where large tracts of agricultural land have been or will be taken out of productive agriculture or where, through detailed analysis, opportunities



1 exist to exploit potential local, national, and international
2 markets.

3 (b) The corporation may initiate and coordinate the
4 preparation of business and agricultural development plans for
5 its projects. The plans shall include a proposal for the
6 organization of the enterprise, a marketing information and
7 strategy, the impact on existing agricultural operations
8 throughout the [~~State~~] state, and a recommendation for the
9 construction, reconstruction, rehabilitation, improvement,
10 alteration, or repair of any infrastructure or accessory
11 facilities in connection with any project.

12 (c) The corporation may enter into cooperative agreements
13 with coordinating entrepreneurs or public agencies when the
14 powers, services, and capabilities of the persons or agencies
15 are deemed necessary and appropriate for the development and
16 implementation of the business and agricultural development
17 plans.

18 (d) Notwithstanding any provision of this chapter to the
19 contrary, when leasing corporation-controlled agricultural land,
20 the corporation may contract with a financial institution
21 chartered under chapter 412 or a federal financial institution,
22 as defined under section 412:1-109, that is transacting business



1 in this state to provide lease management services. For the
 2 purposes of this subsection, "lease management services"
 3 includes the collection of lease rent and any other moneys owed
 4 to the corporation related to the lease of agricultural land
 5 under its control.

6 ~~[(d)]~~ (e) The agricultural planning activities of the
 7 corporation shall be coordinated with the county planning
 8 departments and the county land use plans, policies, and
 9 ordinances.

10 ~~[(e)]~~ (f) The corporation may amend the business and
 11 agricultural development plans as may be necessary.

12 ~~[(f)]~~ (g) Any undertaking by the corporation pursuant to
 13 this chapter shall be with the express written consent of the
 14 landowner or landowners directly affected."

15 SECTION 3. Section 163D-15.6, Hawaii Revised Statutes, is
 16 amended to read as follows:

17 "~~[(f)]~~ **§163D-15.6 Commitment and preservation of agricultural**

18 **leases.** ~~[(g)]~~ (a) The ~~[agribusiness-development]~~ corporation
 19 shall work toward obtaining commitments from landowners in the
 20 leeward and central districts of Oahu that their agricultural
 21 leases shall be for a duration of twenty or more years, and
 22 shall not be amended or revoked ~~[in order]~~ to allow for a

1 nonagricultural use of [~~such~~] that land[-]; provided that for
2 lands in the Waialua area on the island of Oahu acquired under
3 section 5 of this Act, the agricultural leases shall be for not
4 less than fifty-five years.

5 (b) To further ensure the preservation of agriculture in
6 the leeward and central districts of Oahu, the [~~agribusiness~~
7 ~~development~~] corporation shall monitor the agricultural leases
8 of lands [~~utilizing~~] using the water from the Waiahole water
9 system. In the event of any proposed amendment or revocation of
10 any such lease, the corporation shall do all things within its
11 powers under [+]this chapter[+] to protect and defend the
12 interests of the agricultural leaseholders to ensure the
13 continuation of agricultural use for those lands."

14 PART II

15 SECTION 4. The purpose of this part is to comply with
16 article XI, sections 3 and 10 of the state constitution,
17 relating to the protection of agricultural lands and the
18 promotion of farm ownership and diversified agriculture, by
19 establishing a process to ensure that certain lands in the
20 Waialua area on the island of Oahu:

21 (1) Remain available for agricultural use;



1 (2) Are properly managed to ensure their continued
2 economic viability while being used for agriculture;
3 and

4 (3) Are managed in a manner that is sensitive to and
5 consistent with the needs of farmers in the Waialua
6 area.

7 The legislature finds that this Act is in accordance with
8 article XI, sections 3 and 10 of the state constitution, is in
9 the public interest, and will preserve agricultural activities
10 in the area and a lifestyle that benefits the Waialua community
11 and the community at large.

12 SECTION 5. (a) The agribusiness development corporation
13 shall acquire the agricultural lands located in the Waialua area
14 on the island of Oahu and owned by the Galbraith Estate.

15 (b) The agribusiness development corporation shall submit
16 to the legislature a progress report on its actions to acquire
17 the Waialua agricultural lands no later than twenty days prior
18 to the convening of the regular session of 2007.

19 SECTION 6. There is appropriated out of the general
20 revenues of the State of Hawaii the sum of \$ or so much
21 thereof as may be necessary for fiscal year 2006-2007, to



1 acquire agricultural lands located in the Waialua area and owned
2 by the Galbraith Estate.

3 The sum appropriated shall be expended by the agribusiness
4 development corporation for the purposes of this Act.

5 PART III

6 SECTION 7. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 8. This Act shall take effect on July 1, 2006.

9

INTRODUCED BY



JAN 24 2006



HB 2630

Report Title:

Agribusiness Development Corporation; Waialua Agricultural Land

Description:

Appropriates funds for the agribusiness development corporation to acquire agricultural land in Waialua from the Galbraith Estate. Enables the agribusiness development corporation to contract with banks to provide lease management services.

