

JAN 23 2006

S.B. NO. 2120

A BILL FOR AN ACT

RELATING TO AGRICULTURAL PUBLIC LAND USED TO GROW BIODIESEL
PRODUCING CROPS.

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

1 SECTION 1. The legislature finds that the most favorable
2 alternative fuel at this time is biodiesel because it is a fuel
3 that can be used in any diesel-powered vehicle with little or no
4 conversion expense. Moreover, it is an efficient fuel that is
5 more healthy for the environment and human exposure than other
6 fuels, including ordinary petroleum diesel. Lastly, biodiesel
7 is a type of alternative fuel that can be produced from certain
8 agricultural crops, which if grown in this State, could provide
9 a new basis from which an efficient, clean, and affordable fuel
10 could be made to power vehicles and electricity. The crops used
11 to create this base product could create thousands of new jobs
12 for the State and rejuvenate what is a stagnant agricultural
13 industry in Hawaii with the waning of the sugar industry.

14 This Act provides the most direct incentive for farmers and
15 others in the agricultural industry by providing favorable
16 access to the most important component to agri-business in
17 Hawaii--land.



1 SECTION 2. Chapter 171, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§171- Lease of agricultural lands for crops used in the
5 production of biodiesel fuel. (a) The board may lease, at
6 nominal consideration, by direct negotiation and without
7 recourse to public auction, public agricultural lands to
8 eligible lessees that commit to grow qualifying crops pursuant
9 to the terms of this section.

10 (b) The terms of the lease entered into between the board
11 and a qualifying lessee shall incorporate appropriate
12 restrictions on the use of the land assuring the land is used
13 for agricultural purposes and that qualifying crops are grown;
14 provided that nothing in this subsection is intended to impact a
15 qualifying lessee's use of the land for personal residence
16 purposes if allowed by relevant land use laws.

17 (c) In order to qualify for a lease of public agricultural
18 lands pursuant to this section, the qualified crops grown on the
19 public lands shall be disposed of to biodiesel producers by
20 sale, exchange, barter, trade, or other transfer in exchange for
21 consideration.



1 (d) The board may adopt rules in accordance with chapter
2 91 in order to effectuate the purpose of this section.

3 (e) As used in this section:

4 "Biodiesel", unless the context clearly requires otherwise,
5 means a mono alkyl ester of long chain fatty acids derived from
6 vegetable oils or animal fats for use in compression-ignition
7 engines and that meets the requirements of the American society
8 of testing and materials specification D 6751 in effect as of
9 the effective date of this act.

10 "Eligible lessee" means a person who is:

11 (1) Engaged or proposing to engage in an agricultural use
12 by growing qualifying crops; and

13 (2) Qualified to lease public lands under this chapter.

14 "Qualifying crops" means those agricultural crops planted,
15 cultivated, harvested, or processed of such vegetable oil
16 content that is suitable for bioconversion into biodiesel fuel,
17 including without limitation, soy, corn, bean, nut, algae,
18 olive, and other such crops and the seeds thereof."

19 SECTION 3. New statutory material is underscored.

20 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

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SB2120

Report Title:

Agricultural Lands; Favorable Lease Terms for Biodiesel Crops

Description:

Provides favorable lease availability for those who commit to use leased public agricultural lands for the production of crops, the consumption of which is used to produce biodiesel.

SB SMO 06-049

