

JAN 23 2006

A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1 PART I

2 SECTION 1. The purpose of this part is to promote fiscal
3 accountability with regard to agricultural land lease agreements
4 between the State and lessees by allowing the agribusiness
5 development corporation to contract with financial institutions
6 as lease income collection agents.

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

9 "[+]§163D-7[+] **Agricultural projects; agricultural**
10 **development plans.** (a) The corporation may develop and
11 implement agricultural projects where large tracts of
12 agricultural land have been or will be taken out of productive
13 agriculture or where, through detailed analysis, opportunities
14 exist to exploit potential local, national, and international
15 markets.

16 (b) The corporation may initiate and coordinate the
17 preparation of business and agricultural development plans for
18 its projects. The plans shall include a proposal for the



1 organization of the enterprise, a marketing information and
2 strategy, the impact on existing agricultural operations
3 throughout the State, and a recommendation for the construction,
4 reconstruction, rehabilitation, improvement, alteration, or
5 repair of any infrastructure or accessory facilities in
6 connection with any project.

7 (c) The corporation may enter into cooperative agreements
8 with coordinating entrepreneurs or public agencies when the
9 powers, services, and capabilities of the persons or agencies
10 are deemed necessary and appropriate for the development and
11 implementation of the business and agricultural development
12 plans.

13 (d) The corporation may purchase, accept, and maintain
14 permanent conservation easements in accordance with the Natural
15 Resources Conservation Service farm and ranch lands protection
16 program.

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



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

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

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

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

PART II

15 SECTION 3. The purpose of this part is to ensure the long-
 16 term availability of lands suitable for agricultural activities
 17 by authorizing the agribusiness development corporation to lease
 18 lands under its control for up to fifty-five years.

19 SECTION 4. Section 163D-15.6, Hawaii Revised Statutes, is
 20 amended to read as follows:

21 "~~[(f)]~~§163D-15.6 **Commitment and preservation of agricultural**
 22 **leases.** ~~[(g)]~~ (a) The agribusiness development corporation shall

1 work toward obtaining commitments from landowners in the leeward
2 and central districts of Oahu that their agricultural leases
3 shall be for a duration of twenty or more years[7] and shall not
4 be amended or revoked [~~in order~~] to allow for a nonagricultural
5 use of such land[+]; provided that for lands in central Oahu
6 acquired under Act _____, Session Laws of Hawaii 2006, the
7 agricultural leases shall be for not less than fifty-five years.

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

17 PART III

18 SECTION 5. The purpose of this part is to comply with
19 article XI, sections 3 and 10 of the state constitution,
20 relating to the protection of agricultural lands and the
21 promotion of farm ownership and diversified agriculture, by

1 establishing a process to ensure that certain lands in the
2 Waialua area on the island of Oahu:

- 3 (1) Remain available for agricultural use;
- 4 (2) Are properly managed so as to ensure continued
5 economic viability while used for agriculture; and
- 6 (3) Are managed in a manner that is sensitive to and
7 consistent with the needs of farmers in the Waialua
8 area.

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

14 SECTION 6. (a) The agribusiness development corporation
15 is authorized to purchase the agricultural lands located in the
16 Waialua area of the island of Oahu and owned by the Galbraith
17 Estate.

18 (b) The agribusiness development corporation may purchase
19 the lands with revenues derived through the issuance of revenue
20 bonds pursuant to section 163D-9, Hawaii Revised Statutes, and
21 section 9 of this Act.



1 (c) The agribusiness development corporation shall submit
 2 to the legislature a progress report on its actions to obtain
 3 the Waialua agricultural lands not later than twenty days prior
 4 to the convening of the 2007 regular session.

5 SECTION 7. Section 163D-9, Hawaii Revised Statutes, is
 6 amended by amending subsection (a) to read as follows:

7 "(a) The corporation, with the approval of the governor,
 8 may issue, from time to time, revenue bonds in amounts not
 9 exceeding the total amount of bonds authorized to be issued by
 10 the legislature for the purpose of constructing, acquiring,
 11 remodeling, furnishing, and equipping any project facility,
 12 including the acquisition of the site thereof[-], or acquiring
 13 agricultural lands through purchase in order to sustain and
 14 preserve viable agricultural enterprises within a contiguous
 15 geographic area."

16 SECTION 8. There is appropriated out of the general
 17 revenues of the State of Hawaii the sum of \$, or so
 18 much thereof as may be necessary for fiscal year 2006-2007, for
 19 purchasing agricultural lands owned by the Galbraith Estate in
 20 Waialua on the island of Oahu.

1 SECTION 9. The sum appropriated shall be expended by the
2 agribusiness development corporation for the purposes of this
3 Act.

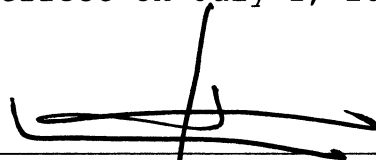
4 PART IV

5 SECTION 10. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 11. This Act shall take effect on July 1, 2006.

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SB2155

Report Title:

Agricultural Lands; Agribusiness; Waialua

Description:

Authorizes the agribusiness development corporation to issue revenue bonds to obtain agricultural land in Waialua from the Galbraith Estate. Enables the agribusiness development corporation to contract with banks to provide lease management services. Allows corporation to lease agricultural lands in Waialua for up to 55 years.

