

JAN 25 2006

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# A BILL FOR AN ACT

RELATING TO AGRICULTURAL LEASES.

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

1           SECTION 1. Chapter 163D, Hawaii Revised Statutes, is  
2 amended by adding twenty new sections to be appropriately  
3 designated and to read as follows:

4           "§163D-A Auction pre-qualification; agricultural and  
5 pasture leases. (a) Whenever used in this section, unless  
6 otherwise apparent from the context:

7           "Farm" also means "ranch" and "farmer" also means  
8 "rancher".

9           "Individual" means a natural person who is not a part of a  
10 partnership, corporation, or joint venture which is a potential  
11 bidder under this section.

12           "Nonindividual concern" means a partnership, corporation,  
13 or joint venture properly formed under law and which is a  
14 potential bidder under this section.

15           (b) Any other law to the contrary notwithstanding, to be  
16 eligible to bid in an auction for agricultural or pasture lease,  
17 a potential bidder shall be a bona fide individual farmer or a  
18 nonindividual farm concern:



- 1        (1) Who has spent not less than two years, full-time, in  
2        farming operations;
- 3        (2) Who is an owner-operator of an established farm  
4        conducting a substantial farming operation;
- 5        (3) Who for a substantial period of the individual's adult  
6        life resided on a farm and depended on farm income for  
7        a livelihood;
- 8        (4) Who is an individual who has been a farm tenant or  
9        farm laborer or other individual, who has for the two  
10       years last preceding the auction obtained the major  
11       portion of their income from farming operations;
- 12       (5) Is an individual with a college degree in agriculture;
- 13       (6) Is an individual who by reason of ability, experience,  
14       and training as a vocational trainee is likely to  
15       successfully operate a farm;
- 16       (7) Who has qualified for and received a commitment for a  
17       loan under the Bankhead-Jones Farm Tenant Act as  
18       amended, or as may hereafter be amended, for the  
19       acquisition of a farm;
- 20       (8) Who is an individual who is displaced from employment  
21       in an agricultural production enterprise;



1        (9) Who is a member of the Hawaii Young Farmer Association  
2        or a Future Farmer of America graduate with two years  
3        of training with farming projects;

4        (10) Who possesses the qualifications under the new farmer  
5        program pursuant to section 155-1; or

6        (11) Who possesses other qualifications as the corporation  
7        may prescribe pursuant to section 171-6 and this  
8        section.

9        **§163D-B Drawing.** Whenever public lands are to be sold or  
10       leased by drawing, the corporation shall notify by publication  
11       of applications for the drawing with details concerning the  
12       drawing as it shall deem necessary and desirable. Applications  
13       to participate in the drawing shall be filed with the  
14       corporation within two weeks after the last publication date.  
15       Within forty-five days after the closing date for applications,  
16       the corporation shall screen the qualifications of the  
17       applicants, select those qualified to participate, notify all  
18       applicants of the selection and conduct a drawing. The date of  
19       the drawing shall be published. The award shall be made within  
20       one week and all applicants shall be notified of the result of  
21       the drawing. The lease or patent shall be issued within ninety  
22       days after the drawing or when conditions of sale are fulfilled.



1           §163D-C Notices. (a) Auctions. Public notice of any  
2 proposed disposition by auction shall be given at least once  
3 statewide and once in the county where the land being disposed  
4 of is located. Notice of the auction shall contain the  
5 following:

- 6           (1) Time and place of the auction;
- 7           (2) General description of the land, including the address  
8           and tax map key;
- 9           (3) Specific use for which the disposition is intended;  
10           and
- 11           (4) Upset price or rental to be charged. The maps showing  
12           the metes and bounds description and the  
13           classification of the land shall be kept in the office  
14           of the corporation and of its land agent in the county  
15           in which the land is situated, and shall be open for  
16           inspection at all reasonable hours.

17           (b) Whenever a disposition by drawing by lots is proposed,  
18 public notice inviting applications to participate in the  
19 drawing shall be given once statewide and once in the county  
20 where the land being disposed of is located. The notice shall  
21 contain:

- 22           (1) The qualifications required of applicants;



- 1           (2) A general description of the land, including the
- 2           address and tax map key;
- 3           (3) Specific use for which the disposition is intended;
- 4           and
- 5           (4) Date by which all applications must be filed, which
- 6           date shall be not less than fourteen days after the
- 7           last notice.

8 Within forty-five days after the closing date for applications,  
 9 the corporation shall select those qualified to participate in  
 10 the drawing, notify all applicants as to whether or not they  
 11 qualified, and conduct the drawing.

12           The notice of selection of applicants qualified to  
 13 participate in the drawing, together with the notice of drawing,  
 14 shall be mailed to each applicant, whether or not the applicant,  
 15 in fact, qualified. The notice of the drawing shall state the  
 16 time and place of the drawing. Upon completion of the drawing,  
 17 the award shall be announced within one week, and the lease  
 18 issued within ninety days after the drawing or when the  
 19 conditions of the sale are fulfilled.

20           (c) Public notice of a proposed disposition by negotiation  
 21 shall be given at least once statewide and once in the county  
 22 where the land being disposed of is located; provided that the



1 notices are not required for permits, and dispositions of  
2 remnants. The notice shall invite proposals and state in  
3 general terms the size, location, and prices or rental of lots  
4 to be leased, the terms of the lease, and the last date on which  
5 application will be received by the corporation, which date  
6 shall not be less than thirty days after the last date of the  
7 notice. The notice shall also state the times and places at  
8 which more detailed information with respect to the lease may be  
9 secured by interested persons.

10 (d) Whenever it is proposed to exchange public lands for  
11 private land, quitclaim public land or any interests of the  
12 State in private land, dispose of submerged or reclaimed public  
13 land, dispose of a land license by negotiation, or dispose of  
14 reserved rights and easements, public notice of the disposition  
15 shall be given at least once statewide and once in the county  
16 where the land or other interests being disposed of are located.  
17 The notice shall state in general terms the size and location of  
18 the public lands proposed to be disposed.

19 (e) In addition to giving public notice, any public notice  
20 required under this section shall also be posted on the Internet  
21 in an easily-located manner.



1           §163D-D Appraisals. (a) The appraisal of public lands  
2 for lease at public auction for the determination of the upset  
3 price may be performed by an employee of the corporation  
4 qualified to appraise lands, or by one but not more than three  
5 disinterested appraisers whose services shall be contracted for  
6 by the corporation; provided that the upset rental shall be  
7 determined by disinterested appraisal whenever prudent  
8 management dictates. No lands shall be leased for a sum less  
9 than the value fixed by appraisal; provided that for any lease  
10 at public auction, the corporation may establish the rental  
11 price at less than the appraisal value set by an employee of the  
12 corporation and the land may be leased at that price. The  
13 corporation shall be reimbursed by the lessee for the cost of  
14 any appraisal required to be made by a disinterested appraiser  
15 or appraisers contracted for by the corporation.

16           (b) The lease rental of lands to be disposed of by drawing  
17 or by negotiation shall be no less than the value determined by:

18           (1) An employee of the corporation qualified to appraise  
19           lands; or

20           (2) A disinterested appraiser or appraisers whose services  
21           shall be contracted for by the corporation, and with



1           the approval of the corporation, shall be paid by the  
2           purchaser;

3 provided that the lease rental shall be determined by  
4 disinterested appraisal whenever prudent management dictates;  
5 provided further that should the purchaser fail to agree upon  
6 the lease rental, the purchaser may appoint an appraiser who  
7 together with the corporation's appraiser shall appoint a third  
8 appraiser, and the lease rental shall be determined by  
9 arbitration which shall be final and binding. The purchaser  
10 shall pay for all appraisal costs, except that the cost of the  
11 third appraiser shall be borne equally by the purchaser and the  
12 corporation.

13           (c) In the event of reopening of the rental to be paid on  
14 a lease, the rental for any ensuing period shall be the fair  
15 market rental at the time of reopening. At least six months  
16 prior to the time of reopening, the fair market rental shall be  
17 determined by:

18           (1) An employee of the corporation qualified to appraise  
19           lands; or

20           (2) A disinterested appraiser whose services shall be  
21           contracted for by the corporation;



1 and the lessee shall be promptly notified of the determination;  
2 provided that should the lessee fail to agree upon the fair  
3 market rental, the lessee may appoint the lessee's own appraiser  
4 who together with the corporation's appraiser shall appoint a  
5 third appraiser and the fair market rental shall be determined  
6 by arbitration. The lessee shall pay for the lessee's own  
7 appraiser, the corporation shall pay for its appraiser, and the  
8 cost of the third appraiser shall be borne equally by the lessee  
9 and the corporation. Any language in present leases to the  
10 contrary notwithstanding, the provisions of this subsection,  
11 when possible and notwithstanding the six-month notice required,  
12 shall apply to leases with original lease rental reopening dates  
13 effective \_\_\_\_\_.

14 (d) Whenever more than one appraiser is appointed, each  
15 shall prepare and submit an independent appraisal. All  
16 appraisal reports shall be available for study by the public.

17 **§163D-E Public land trust.** All funds derived from the  
18 lease or other disposition of public lands shall be appropriated  
19 by the laws of the State; provided that all proceeds and income  
20 from the lease, or other disposition of lands ceded to the  
21 United States by the Republic of Hawaii under the joint  
22 resolution of annexation, approved July 7, 1898 (30 Stat. 750),



1 or acquired in exchange for lands so ceded, and returned to the  
 2 State of Hawaii by virtue of section 5(b) of the Act of March  
 3 18, 1959 (73 Stat. 6), and all proceeds and income from the  
 4 lease or other disposition of lands retained by the United  
 5 States under sections 5(c) and 5(d) of the Act and later  
 6 conveyed to the State under section 5(e) shall be held as a  
 7 public trust for the support of the public schools and other  
 8 public educational institutions, for the betterment of the  
 9 conditions of native Hawaiians as defined in the Hawaiian Homes  
 10 Commission Act, 1920, as amended, for the development of farm  
 11 and home ownership on as widespread a basis as possible, for the  
 12 making of public improvements, and for the provision of lands  
 13 for public use.

14 **§163D-F Notice of breach or default.** Except as otherwise  
 15 provided in this chapter, in the event of a breach or default of  
 16 any term, covenant, restriction, or condition of any lease  
 17 issued under this chapter, the corporation shall deliver a  
 18 written notice of the breach or default by personal service or  
 19 by registered or certified mail to the party in default and to  
 20 each holder of record having any security interest in the land  
 21 covered by or subject to the lease making demand upon the party  
 22 to cure or remedy the breach or default within sixty days from



1 the date of receipt of the notice; provided that where the  
 2 breach involves a failure to make timely rental payments  
 3 pursuant to the lease issued under this chapter, the written  
 4 notice shall include a demand upon the party to cure the breach  
 5 within less than sixty days, but not less than five business  
 6 days, after receipt of the notice. Upon failure of the party to  
 7 cure or remedy the breach or default within the time period  
 8 provided herein or within an additional period as the  
 9 corporation may allow for good cause, the corporation may  
 10 exercise the rights under the law or as provided in the lease.

11 **§163D-G Rights of holder of security interest.** Whenever  
 12 any notice of breach or default is given to any party, or under  
 13 the terms of any lease, agreement, or other instrument issued or  
 14 to be issued under this chapter, a copy of the notice shall be  
 15 delivered by the corporation to all holders of record of any  
 16 security interest in the land or interest covered by the lease,  
 17 agreement, or other instrument whose security interest has been  
 18 recorded with the corporation. If the corporation seeks to  
 19 forfeit the privilege, interest, or estate created by the lease,  
 20 agreement, or other instrument, each holder may, at its option,  
 21 cure or remedy the breach or default, if the same can be cured  
 22 or remedied, by the payment of money or, by performing or



1 undertaking in writing to perform all the terms, covenants,  
2 restrictions, or conditions of any lease, agreement, or other  
3 instrument capable of performance by the holder, as determined  
4 by the corporation, within a reasonable time period or within an  
5 additional period as the corporation may allow for good cause  
6 and add the cost thereof to the mortgage debt and the lien of  
7 the mortgage. Upon failure of the holder to exercise its  
8 option, the corporation may:

9     (1) Pay to the holder from any moneys at its disposal, the  
10 amount of the mortgage debt, together with interest  
11 and penalties, and secure an assignment of the debt  
12 and mortgage from the holder, or if ownership of the  
13 interest or estate shall then have vested in the  
14 holder by way of foreclosure or action in lieu  
15 thereof, the corporation shall be entitled to a  
16 conveyance of the interest or estate upon payment to  
17 the holder of the amount of the mortgage debt,  
18 including interest and penalties, and all reasonable  
19 expenses incurred by the holder in connection with the  
20 foreclosure and preservation of its security interest,  
21 less appropriate credits, including income received



1           from the privilege, interest, or estate subsequent to  
2           the foreclosure; or  
3       (2) If the property cannot be reasonably reassigned  
4           without loss to the State, then terminate the  
5           outstanding privilege, interest, or estate without  
6           prejudice to any other right or remedy for arrears of  
7           rent or for any preceding or other breach or default,  
8           and use its best efforts to redispse of the affected  
9           land to a qualified and responsible person free and  
10          clear of the mortgage and the debt thereby secured;  
11          provided that a reasonable delay by the corporation in  
12          instituting or prosecuting any right or remedy it may  
13          have under this section shall not operate as a waiver  
14          of the right or to deprive it of the remedy when it  
15          may still hope otherwise to resolve the problems  
16          created by the breach or default involved.  
17       The proceeds of any redispotion under paragraph (2) shall be  
18       applied: first, to reimburse the corporation for costs and  
19       expenses in connection with the redispotion; second, to  
20       discharge in full any unpaid purchase price or other  
21       indebtedness owing the State in connection with the privilege,  
22       interest, or estate terminated; third, to the mortgagee to the



1 extent of the value received by the State upon redispotion  
2 which exceeds the fair market lease value of the land as  
3 previously determined by the State's appraiser; and fourth, to  
4 the owner of the privilege, interest, or estate. Nothing  
5 contained in this section shall be construed in a manner as to  
6 infringe upon or prejudice in any way the rights of a holder of  
7 record having a security interest which shall have vested prior  
8 to the effective date hereof, and to the extent that this  
9 section may conflict and adversely affect such interests, the  
10 same shall be of no force and effect.

11 **§163D-H Consent to mortgage.** Whenever under this chapter  
12 or under any lease, or other instrument issued by the  
13 corporation, consent of the State is required as a condition  
14 precedent to the mortgage of, or the creation of a security  
15 interest in public land, the corporation, upon due application,  
16 may grant the consent, and if the mortgage or security interest  
17 is to a recognized lending institution authorized to do business  
18 as a lending institution in either the State or elsewhere in the  
19 United States, the consent may extend to foreclosure and sale at  
20 the foreclosure to any purchaser, including the mortgagee,  
21 without regard to whether or not the purchaser is qualified  
22 under this chapter to lease or otherwise acquire and hold the



1 land or any interest therein. The interest of the mortgagee or  
2 holder shall be freely assignable. The term "holder" includes  
3 an insurer or guarantor of the obligation or condition of the  
4 mortgage, including the Federal Housing Administration, the  
5 Federal National Mortgage Association, the Veterans  
6 Administration, the Small Business Administration, the United  
7 States Department of Agriculture, or any other federal agency  
8 and their respective successors and assigns, or any lending  
9 institution authorized to do business in the State or elsewhere  
10 in the United States; provided that the consent to mortgage to a  
11 nongovernmental holder shall not confer any greater rights or  
12 powers in the holder than those which would be required by any  
13 of the aforementioned federal agencies.

14 **§163D-I Planning; intensive agricultural and pasture uses.**

15 (a) If the intended disposition of leased land is for intensive  
16 agricultural or pasture uses, the corporation shall:

- 17 (1) Make or cause to be made an on-the-ground inspection  
18 of the land;  
19 (2) Secure data or information from the land study bureau  
20 relating to the land parcel;  
21 (3) Review any other pertinent information with respect to  
22 the land and the surrounding area; and



1        (4) Based upon information obtained, prepare a written  
2        report on the land, which report shall include the  
3        following:

4        (A) The class of the land within the specific use for  
5        which disposition is intended;

6        (B) The condition of the land with respect to its  
7        state of development;

8        (C) Existing improvements, if any;

9        (D) Extent of uncontrolled erosion if any;

10       (E) Nature of forage; and

11       (F) Extent of infestation with noxious weeds.

12       (b) For the purposes of this section "intensive  
13 agricultural use" shall have the same meaning as that term is  
14 referred to in section 171-10.

15       **§163D-J Lease provisions; generally.** Every lease issued  
16 by the corporation shall contain:

17       (1) The specific use or uses to which the land is to be  
18       employed;

19       (2) The improvements required; provided that a minimum  
20       reasonable time be allowed for the completion of the  
21       improvements;

22       (3) Restrictions against alienation;





1        (4) The rent, as established by the corporation or at  
2        public auction, which shall be payable not more than  
3        one year in advance, in monthly, quarterly,  
4        semiannual, or annual payments;

5        (5) Where applicable, adequate protection of forests,  
6        watershed areas, game management areas, wildlife  
7        sanctuaries, and public hunting areas, reservation of  
8        rights-of-way and access to other public lands, public  
9        hunting areas, game management areas, or public  
10       beaches, and prevention of nuisance and waste; and

11       (6) Other terms and conditions as the corporation deems  
12       advisable to more nearly effectuate the purposes of  
13       the state constitution and of this chapter.

14       **§163D-K Lease restrictions; intensive agricultural and**  
15 **pasture uses.** The following restrictions shall apply to all  
16 leases for intensive agricultural and pasture uses:

17       (1) The lease term shall be not less than fifteen years  
18       nor more than thirty-five years, except that if the  
19       type of disposition requires the lessee to occupy the  
20       premises as the lessee's own personal residence, it  
21       may be longer than thirty-five years, but not in  
22       excess of seventy-five years, and except in the case



1           of a tree-crop orchard lease the term shall not be in  
2           excess of forty-five years.

3           (2) If the land being leased is not immediately productive  
4           and requires extensive expenditures for clearing,  
5           conditioning of the soil, the securing of water, the  
6           planting of grasses, or the construction of  
7           improvements, as the result of which a longer term is  
8           necessary to amortize the lessee's investment, then  
9           the lease term may be longer than thirty-five years,  
10           but not in excess of fifty-five years.

11           (3) The land leased hereunder, or any portion thereof,  
12           shall be subject to withdrawal by the corporation at  
13           any time during the term of the lease with reasonable  
14           notice and without compensation, except as provided by  
15           the corporation pursuant to rules adopted under  
16           chapter 91.

17           **§163D-L Condemnation of leases.** The lease shall provide  
18           that whenever a portion of the public land under lease is  
19           condemned for public purposes by the State, any county, or any  
20           other governmental agency or subdivision, the rental shall be  
21           reduced in proportion to the value of the portion of the



1 premises condemned, and the lessee shall be entitled to receive  
2 from the condemning authority:

3 (1) The value of growing crops, if any, which the lessee  
4 is not permitted to harvest; and

5 (2) The proportionate value of the lessee's permanent  
6 improvements, taken in the proportion that it bears to  
7 the unexpired term of the lease; provided that the  
8 lessee may, in the alternative, remove and relocate  
9 the lessee's improvements to the remainder of the  
10 lands occupied by the lessee.

11 The foregoing rights of the lessee shall not be exclusive of any  
12 other to which the lessee may be entitled by law. Where the  
13 portion so taken renders the remainder unsuitable for the uses  
14 for which the land was leased, the lessee shall have the option  
15 to surrender the lessee's lease and be discharged of any further  
16 liability therefor; provided that the lessee may remove the  
17 lessee's permanent improvements within a reasonable period  
18 allowed by the corporation.

19 **§163D-M Leases; forfeiture.** Upon the violation of any  
20 condition or term of any lease to be observed or performed by  
21 the lessee or tenant, the corporation, after the notice of  
22 default and subject to the rights of each holder of record



1 having a security interest, shall terminate the lease or tenancy  
2 and take possession of the leased land, without demand or  
3 previous entry and without legal process, together with all  
4 improvements placed thereon and shall retain all rent paid in  
5 advance as damages for the violations.

6 **§163D-N Expired leases; holdover.** Upon expiration of a  
7 lease term, if the leased land is not otherwise disposed of, the  
8 corporation may allow the lessee to continue to hold the land  
9 for a period not exceeding one year upon such rent, terms, and  
10 conditions as the corporation may prescribe; provided that if,  
11 immediately prior to the expiration of the lease, the land was  
12 cultivated with crops having ratoons for at least one cycle, the  
13 corporation may permit the lessee to continue to hold the leased  
14 land until the crops from the last remaining cycle have been  
15 harvested. The term "cycle" as used in this section means the  
16 period required to plant and cultivate the original crop,  
17 including the harvesting of the first ratoon, being a period  
18 exceeding two years.

19 Upon expiration of the one-year extension, if the board has  
20 not yet decided upon the re-lease of the land for other  
21 purposes, the corporation may issue a temporary permit to the



1 lessee and the rent and any other terms and conditions as the  
2 corporation may prescribe.

3 **§163D-O Agricultural plots.** The corporation, in  
4 cooperation with the department of agriculture and the city and  
5 county of Honolulu, shall adopt rules in accordance with chapter  
6 91 to allow for use of vacant public lands for farming or  
7 agricultural recreation.

8 **§163D-P Leases, leases with option to purchase, sales**  
9 **permitted; when.** Land intended for disposition as farm lot for  
10 truck crops or for horticultural, pasture, or special livestock  
11 use, may be disposed of by lease, lease with option to purchase,  
12 or in fee simple. The disposition may be by drawing of lot,  
13 without recourse to public auction, notwithstanding any other  
14 provision in this chapter to the contrary; provided that the  
15 right to any values in the land not attributable to these  
16 agricultural uses shall be reserved to the State.

17 Dispositions under this section shall be made only to  
18 individuals who satisfy the requirements established by the  
19 corporation, pursuant to rules adopted under chapter 91, and  
20 then only if the individual, either oneself or whose spouse, or  
21 both, does not already own lands of comparable use in the State;  
22 provided that the ownership by the individual or the



1 individual's spouse of lands of comparable use shall not be a  
2 disqualification in applying for a lease within an agricultural  
3 park.

4 **§163D-Q Planning.** Prior to making dispositions under  
5 section 163D-P, the corporation shall:

6 (1) Determine the economic feasibility and need for the  
7 proposed disposition;

8 (2) Determine the minimum economic unit required for the  
9 successful undertaking of the specific use intended,  
10 taking into consideration soil fertility, soil  
11 condition, and availability of water; and

12 (3) Subdivide the land into economic units and make  
13 improvements as are necessary in conformity with  
14 applicable county or city and county zoning and  
15 subdivision requirements, including the construction  
16 of necessary roads and irrigation facilities.

17 **§163D-R Restrictions; conditions.** In addition to other  
18 restrictions or conditions that may be established by the  
19 corporation to carry out the purpose of this chapter and of the  
20 provisions of the state constitution, all sale, lease, or lease  
21 with option to purchase, of a farm lot shall be subject to the.



1 following conditions, which shall be covenants running with the  
2 land:

3 (1) The lot shall be used for farm purposes only;

4 (2) The purchaser or lessee shall reside on the premises  
5 granted; provided that with the consent of the  
6 corporation, the purchaser or lessee may live off the  
7 premises if the purchaser's or lessee's residence is  
8 within a reasonable distance;

9 (3) The purchaser or lessee shall derive the major portion  
10 of the purchaser's or lessee's total annual income  
11 from the production of the crops or products for which  
12 production the land is granted to the purchaser or  
13 lessee; provided that this restriction shall not apply  
14 if the purchaser or lessee becomes enfeebled or is  
15 widowed;

16 (4) In the case of a lease, unless otherwise specifically  
17 provided in this section;

18 (5) In the case of a fee simple sale, the improvement  
19 required and the specific use or uses intended;

20 (6) For a period of five years after the issuance of a  
21 lease, the purchaser or lessee shall not sell, sublet,  
22 assign, transfer, or in other manner dispose or



1           encumber the whole or any part of the farm lot to any  
2           person not qualified to take a farm lot except by way  
3           of mortgage, testamentary bequest or devise, intestate  
4           succession, or except to a purchaser at or after sale  
5           upon the foreclosure of a mortgage.

6           The violation of any restrictions or conditions shall be  
7           sufficient for the corporation, upon failure of the purchaser or  
8           lessee within a reasonable period of time to remedy the default  
9           after notice to take possession of the premises without demand  
10          or previous entry and with or without legal process and thereby  
11          determine the estate.

12          **§163D-S Applicants; qualifications.** (a) A person shall  
13          be eligible to apply for a farm if the person has the  
14          qualifications as follows:

- 15           (1) The person has been a resident in the State at any  
16           time for at least three years;  
17           (2) The person is a bona fide farmer:  
18           (A) Who has not less than two years' experience as a  
19           full-time farmer; or  
20           (B) Who was an owner-operator of an established farm  
21           conducting a substantial farming operation and  
22           who for a substantial period of the person's life





1 resided on a farm or depended on farm income for  
2 the person's livelihood; or

3 (C) Who has been a farm tenant or farm laborer or  
4 other individual, who has for the two years last  
5 preceding the person's application obtained the  
6 major portion of the person's income from farming  
7 operations; or

8 (D) Who has a college degree in agriculture; or

9 (E) Who by reason of ability, experience, and  
10 training as a vocational trainee is likely to  
11 successfully operate a farm; or

12 (F) Who has qualified for and received a commitment  
13 for a loan under the Bankhead-Jones Farm Tenant  
14 Act as amended, or as may hereafter be amended,  
15 for the acquisition of a farm; or

16 (G) Who is displaced from employment in an  
17 agricultural production enterprise; or

18 (H) Who is a member of the Hawaii Young Farmer  
19 Association or a Future Farmer of America  
20 graduate with two years of training with farming  
21 projects; or



1        (3) The person meets other qualifications as the  
2        corporation may prescribe pursuant to rules adopted  
3        under chapter 91.

4        (b) No person shall be entitled to apply for a farm:

5        (1) Who, or whose husband or wife, has previously taken or  
6        held land for farm or homesteading under any  
7        certificate, lease, or agreement or under any  
8        homestead lease or patent based thereon; or

9        (2) Who, or whose husband or wife, or both of them, owns  
10       in fee simple other land in the State, the combined  
11       area of which with the land in question exceeds eighty  
12       acres; provided that:

13       (A) The ownership of a residence lot or tract, not  
14       exceeding three acres in area, shall not  
15       disqualify any person otherwise qualified from  
16       applying for and receiving any form of farm;

17       (B) Any person who would otherwise qualify to take a  
18       farm lot shall not be disqualified by reason of  
19       taking, holding or owning land for farm or  
20       homesteading or otherwise, if the land so taken,  
21       held or owned becomes unusable for the purpose of  
22       farming.



1        (c) The terms "farm" and "farmer" as used herein also mean  
2 ranch and rancher respectively for the purposes of this section.

3        **§163D-T Preference right.** Any person otherwise qualified  
4 to take a farm lot shall have preference in any drawing for farm  
5 lots, if the person:

6        (1) Is a veteran (defined herein as a person who served in  
7 the military forces of the United States during any  
8 war between the United States and any other nation and  
9 who was discharged or released therefrom under  
10 conditions other than dishonorable); or

11        (2) Has, within a period of not longer than five years  
12 prior to the filing of the person's application, been  
13 an owner in possession, or a lessee in possession  
14 having an unexpired lease term of more than one year,  
15 of farm premises which were taken by any governmental  
16 authority for any public purpose and who was displaced  
17 by reason of the taking or which became unusable for  
18 farm purposes because the use was declared a public  
19 nuisance or was displaced by reason of a natural  
20 disaster."

21        SECTION 2. Section 163D-5, Hawaii Revised Statutes, is  
22 amended by amending subsection (a) to read as follows:



1           "(a) The corporation shall prepare the Hawaii agribusiness  
2 plan which shall define and establish goals, objectives,  
3 policies, and priority guidelines for its agribusiness  
4 development strategy. The plan shall include but not be limited  
5 to:

6           (1) An inventory of agricultural lands with suitable  
7           adequate water resources that are or will become  
8           available due to the downsizing of the sugar and  
9           pineapple industries that can be used to meet present  
10          and future agricultural production needs;

11          (2) An inventory of agricultural infrastructure that will  
12          be abandoned by sugar and pineapple industries such as  
13          irrigation systems, drainage systems, processing  
14          facilities, and other accessory facilities;

15          (3) An analysis of imported agricultural products and the  
16          potential for increasing local production to replace  
17          imported products in a manner that complements  
18          existing local producers and increases Hawaii's  
19          agricultural self-sufficiency;

20          (4) Alternatives in the establishment of sound financial  
21          programs to promote the development of diversified  
22          agriculture;



1 (5) Feasible strategies for the promotion, marketing, and  
2 distribution of Hawaii agricultural products in local,  
3 national, and international markets;

4 (6) Programs to promote and facilitate the absorbing of  
5 displaced agricultural workers into alternative  
6 agricultural enterprises;

7 (7) Strategies to insure the provision of adequate air and  
8 surface transportation services and supporting  
9 facilities to support the agricultural industry in  
10 meeting local, national, and international market  
11 needs;

12 (8) Proposals to improve the gathering of data and the  
13 timely presentation of information on market demands  
14 and trends that can be used to plan future harvests  
15 and production; [~~and~~]

16 (9) Strategies for federal and state legislative actions  
17 that will promote the development and enhancement of  
18 Hawaii's agricultural industries[~~-~~]; and

19 (10) Strategies to administer agricultural leases to  
20 provide efficient use of agricultural lands under the  
21 jurisdiction of the corporation."



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

3 " ~~[+]§163D-15.6 [Commitment and preservation of~~  
4 ~~agricultural] Agricultural leases[-]; administration,~~  
5 ~~commitment, and preservation.~~ (a) The agribusiness development  
6 corporation shall administer state agricultural leases,  
7 including but not limited to, any related auctions, drawings,  
8 appraisals, mortgages, leases with option to buy, and purchases  
9 and sales of leases. The corporation may adopt rules pursuant  
10 to chapter 91, not inconsistent with this chapter, to effectuate  
11 this section.

12 (b) The agribusiness development corporation shall work  
13 toward obtaining commitments from landowners in the leeward and  
14 central districts of Oahu that their agricultural leases shall  
15 be for a duration of twenty or more years, and shall not be  
16 amended or revoked in order to allow for a nonagricultural use  
17 of ~~[such]~~ the land.

18 ~~[-b-]~~ (c) To further ensure the preservation of  
19 agriculture in the leeward and central districts of Oahu, the  
20 agribusiness development corporation shall monitor the  
21 agricultural leases of lands utilizing the water from the  
22 Waiahole water system. In the event of any proposed amendment



1 or revocation of any such lease, the corporation shall do all  
2 things within its powers under [+]this chapter[+] to protect and  
3 defend the interests of the agricultural leaseholders to ensure  
4 the continuation of agricultural use for those lands."

5 SECTION 4. Section 171-14.5, Hawaii Revised Statutes, is  
6 repealed.

7 ~~["§171-14.5 Auction pre-qualification; agricultural and~~  
8 ~~pasture leases. (a) Whenever used in this section, unless~~  
9 ~~otherwise apparent from the context:~~

10 ~~"Farm" also means "ranch" and "farmer" also means~~  
11 ~~"rancher".~~

12 ~~"Individual" means a natural person who is not a part of a~~  
13 ~~partnership, corporation, or joint venture which is a potential~~  
14 ~~bidder under this section.~~

15 ~~"Nonindividual concern" means a partnership, corporation,~~  
16 ~~or joint venture properly formed under law and which is a~~  
17 ~~potential bidder under this section.~~

18 ~~(b) Any other law to the contrary notwithstanding, to be~~  
19 ~~eligible to bid in an auction for agricultural or pasture~~  
20 ~~leases, a potential bidder shall be a bona fide individual~~  
21 ~~farmer or a nonindividual farm concern:~~



- 1        ~~(1) Who has spent not less than two years, full time, in~~  
2            ~~farming operations;~~
- 3        ~~(2) Who is an owner-operator of an established farm~~  
4            ~~conducting a substantial farming operation;~~
- 5        ~~(3) Who for a substantial period of the individual's adult~~  
6            ~~life resided on a farm and depended on farm income for~~  
7            ~~a livelihood;~~
- 8        ~~(4) Who is an individual who has been a farm tenant or~~  
9            ~~farm laborer or other individual, who has for the two~~  
10           ~~years last preceding the auction obtained the major~~  
11           ~~portion of their income from farming operations;~~
- 12        ~~(5) Is an individual with a college degree in agriculture;~~
- 13        ~~(6) Is an individual who by reason of ability, experience,~~  
14           ~~and training as a vocational trainee is likely to~~  
15           ~~successfully operate a farm;~~
- 16        ~~(7) Who has qualified for and received a commitment for a~~  
17           ~~loan under the Bankhead-Jones Farm Tenant Act as~~  
18           ~~amended, or as may hereafter be amended, for the~~  
19           ~~acquisition of a farm;~~
- 20        ~~(8) Who is an individual who is displaced from employment~~  
21           ~~in an agricultural production enterprise;~~





- 1       ~~(9) Who is a member of the Hawaii Young Farmer Association~~
- 2           ~~or a Future Farmer of America graduate with two years~~
- 3           ~~of training with farming projects;~~
- 4       ~~(10) Who possesses the qualifications under the new farmer~~
- 5           ~~program pursuant to section 155-1; or~~
- 6       ~~(11) Who possesses other qualifications as the board of~~
- 7           ~~land and natural resources may prescribe pursuant to~~
- 8           ~~section 171-6 and this section." ]~~

9           SECTION 5. Section 171-34, Hawaii Revised Statutes, is  
 10 repealed.

11           ~~["§171-34 Planning; intensive agricultural and pasture~~  
 12 ~~uses. In addition to the requirements set forth in section 171-~~  
 13 ~~33, if the intended disposition is for intensive agricultural or~~  
 14 ~~pasture uses, the board of land and natural resources shall:~~

- 15       ~~(1) Make or cause to be made an on-the-ground inspection~~
- 16           ~~of the land;~~
- 17       ~~(2) Secure data or information from the land study bureau~~
- 18           ~~relating to such parcel;~~
- 19       ~~(3) Review any other pertinent information with respect to~~
- 20           ~~the land and the surrounding area; and~~

1       ~~(4) Based upon information obtained, prepare a written~~  
2       ~~report on the land, which report shall include the~~  
3       ~~following:~~

4           ~~(A) The class of the land within the specific use for~~  
5           ~~which disposition is intended;~~

6           ~~(B) The condition of the land with respect to its~~  
7           ~~state of development;~~

8           ~~(C) Existing improvements, if any;~~

9           ~~(D) Extent of uncontrolled erosion if any;~~

10          ~~(E) Nature of forage; and~~

11          ~~(F) Extent of infestation with noxious weeds." ]~~

12       SECTION 6. Section 171-37, Hawaii Revised Statutes, is  
13       repealed.

14       ~~["§171-37 Lease restrictions; intensive agricultural and~~  
15       ~~pasture uses. In addition to the restrictions provided in~~  
16       ~~section 171-36, the following restrictions shall apply to all~~  
17       ~~leases for intensive agricultural and pasture uses:~~

18           ~~(1) The lease term shall be not less than fifteen years~~  
19           ~~nor more than thirty-five years, except that if the~~  
20           ~~type of disposition requires the lessee to occupy the~~  
21           ~~premises as the lessee's own personal residence, it~~  
22           ~~may be longer than thirty-five years, but not in~~



1 ~~excess of seventy-five years, and except in the case~~  
2 ~~of a tree-crop orchard lease the term of which shall~~  
3 ~~not be in excess of forty-five years.~~

4 ~~(2) If the land being leased is not immediately productive~~  
5 ~~and requires extensive expenditures for clearing,~~  
6 ~~conditioning of the soil, the securing of water, the~~  
7 ~~planting of grasses, or the construction of~~  
8 ~~improvements, as the result of which a longer term is~~  
9 ~~necessary to amortize the lessee's investment, then~~  
10 ~~the lease term may be longer than thirty-five years,~~  
11 ~~but not in excess of fifty-five years.~~

12 ~~(3) The land leased hereunder, or any portion thereof,~~  
13 ~~shall be subject to withdrawal by the board of land~~  
14 ~~and natural resources at any time during the term of~~  
15 ~~the lease with reasonable notice and without~~  
16 ~~compensation, except as provided herein, for public~~  
17 ~~uses or purposes, including residential, commercial,~~  
18 ~~industrial, or resort developments, for constructing~~  
19 ~~new roads or extensions, or changes in line or grade~~  
20 ~~of existing roads, for rights-of-way and easements of~~  
21 ~~all kinds, and shall be subject to the right of the~~  
22 ~~board to remove soil, rock, or gravel as may be~~



1           ~~necessary for the construction of roads and rights-of-~~  
2           ~~way within or without the demised premises; provided~~  
3           ~~that upon the withdrawal, or upon the taking which~~  
4           ~~causes any portion of the land originally demised to~~  
5           ~~become unusable for the specific use or uses for which~~  
6           ~~it was demised, the rent shall be reduced in~~  
7           ~~proportion to the value of the land withdrawn or made~~  
8           ~~unusable, and if any permanent improvement constructed~~  
9           ~~upon the land by the lessee is destroyed or made~~  
10           ~~unusable in the process of the withdrawal or taking,~~  
11           ~~the proportionate value thereof shall be paid based~~  
12           ~~upon the unexpired term of the lease; provided further~~  
13           ~~that no withdrawal or taking shall be had as to those~~  
14           ~~portions of the land which are then under cultivation~~  
15           ~~with crops until the crops are harvested, unless the~~  
16           ~~board pays to the lessee the value of the crops; and~~  
17           ~~provided further that upon withdrawal any person with~~  
18           ~~a long-term lease shall be compensated for the present~~  
19           ~~value of all permanent improvements in place at the~~  
20           ~~time of withdrawal that were legally constructed upon~~  
21           ~~the land by the lessee to the leased land being~~  
22           ~~withdrawn. In the case of tree crops, the board shall~~



1           ~~pay to the lessee the residual value of the trees~~  
2           ~~taken and, if there are unharvested crops, the value~~  
3           ~~of the crops also.~~

4           ~~"Tree-crop", as used in this section, shall be exclusive of~~  
5           ~~papaya and banana." ]~~

6           SECTION 7. Section 171-55.5, Hawaii Revised Statutes, is  
7           repealed

8           ~~["§171-55.5] **Agricultural plots.** The department of land~~  
9           ~~and natural resources, in cooperation with the department of~~  
10           ~~agriculture and the city and county of Honolulu, shall adopt~~  
11           ~~rules in accordance with chapter 91 to allow for use of vacant~~  
12           ~~public lands for farming or agricultural recreation." ]~~

13           SECTION 8. Section 171-65, Hawaii Revised Statutes, is  
14           repealed.

15           ~~["§171-65 **Leases, leases with option to purchase, sales**~~  
16           ~~**permitted; when.** Land intended for disposition as farm lot for~~  
17           ~~truck crops or for horticultural, pasture, or special livestock~~  
18           ~~use, may be disposed of by lease, lease with option to purchase,~~  
19           ~~or in fee simple. Such disposition may be by drawing of lot,~~  
20           ~~without recourse to public auction, notwithstanding any other~~  
21           ~~provision in this chapter to the contrary; provided that the~~

1 ~~right to any values in the land not attributable to these~~  
2 ~~agricultural uses shall be reserved to the State.~~

3 ~~Dispositions under this section shall be made only to~~  
4 ~~individuals who satisfy the requirements established by the~~  
5 ~~board and then only if the individual, either oneself or whose~~  
6 ~~spouse, or both, does not already own lands of comparable use in~~  
7 ~~the State; provided that the ownership by the individual or the~~  
8 ~~individual's spouse of lands of comparable use shall not be a~~  
9 ~~disqualification in applying for a lease within an agricultural~~  
10 ~~park." ]~~

11 SECTION 9. Section 171-67, Hawaii Revised Statutes, is  
12 repealed.

13 ~~["§171-67 Restrictions; conditions. In addition to such~~  
14 ~~other restrictions or conditions that may be established by the~~  
15 ~~board of land and natural resources to carry out the purpose of~~  
16 ~~this chapter and of the provisions of the state constitution,~~  
17 ~~all sale, lease, or lease with option to purchase, of a farm lot~~  
18 ~~shall be subject to the following conditions, which shall be~~  
19 ~~covenants running with the land:~~

- 20 (1) ~~The lot shall be used for farm purposes only;~~  
21 (2) ~~The purchaser or lessee shall reside on the premises~~  
22 ~~granted; provided that with the consent of the board,~~



- 1           ~~the purchaser or lessee may live off the premises if~~  
2           ~~the purchaser's or lessee's residence is within a~~  
3           ~~reasonable distance therefrom;~~
- 4           ~~(3) The purchaser or lessee shall derive the major portion~~  
5           ~~of the purchaser's or lessee's total annual income~~  
6           ~~from the production of the crops or products for which~~  
7           ~~production the land is granted to the purchaser or~~  
8           ~~lessee; provided that this restriction shall not apply~~  
9           ~~if the purchaser or lessee becomes enfeebled or is~~  
10           ~~widowed;~~
- 11           ~~(4) In the case of a lease, those provisions set forth in~~  
12           ~~sections 171-35, 171-36 and 171-37, unless otherwise~~  
13           ~~specifically provided in this section;~~
- 14           ~~(5) In the case of a fee simple sale, the improvement~~  
15           ~~required and the specific use or uses intended;~~
- 16           ~~(6) For a period of five years after the issuance of a~~  
17           ~~patent or lease, the purchaser or lessee shall not~~  
18           ~~sell, sublet, assign, transfer, or in other manner~~  
19           ~~dispose or encumber the whole or any part of the farm~~  
20           ~~lot to any person not qualified to take a farm lot~~  
21           ~~except by way of mortgage, testamentary bequest or~~



1           ~~devise, intestate succession, or except to a purchaser~~  
2           ~~at or after sale upon the foreclosure of a mortgage.~~

3           ~~The violation of any of such restrictions or conditions~~  
4           ~~shall be sufficient for the board, upon failure of the purchaser~~  
5           ~~or lessee within a reasonable period of time to remedy the~~  
6           ~~default after notice thereof as provided in section 171-20 to~~  
7           ~~take possession of the premises without demand or previous entry~~  
8           ~~and with or without legal process and thereby determine the~~  
9           ~~estate, subject to the provisions contained in section 171-21." ]~~

10           SECTION 10. Section 171-68, Hawaii Revised Statutes, is  
11           repealed.

12           ~~["§171-68 Applicants; qualifications of. (a) A person~~  
13           ~~shall be eligible to apply for a farm if the person has the~~  
14           ~~qualifications as follows:~~

- 15           ~~(1) The person has been a resident in the State at any~~  
16           ~~time for at least three years;~~
- 17           ~~(2) The person is a bona fide farmer:~~
  - 18           ~~(A) Who has not less than two years' experience as a~~  
19           ~~full-time farmer; or~~
  - 20           ~~(B) Who was an owner-operator of an established farm~~  
21           ~~conducting a substantial farming operation and~~  
22           ~~who for a substantial period of the person's life~~



1                   ~~resided on a farm or depended on farm income for~~  
2                   ~~the person's livelihood; or~~

3           ~~(C) Who has been a farm tenant or farm laborer or~~  
4           ~~other individual, who has for the two years last~~  
5           ~~preceding the person's application obtained the~~  
6           ~~major portion of the person's income from farming~~  
7           ~~operations; or~~

8           ~~(D) Who has a college degree in agriculture; or~~

9           ~~(E) Who by reason of ability, experience, and~~  
10           ~~training as a vocational trainee is likely to~~  
11           ~~successfully operate a farm; or~~

12           ~~(F) Who has qualified for and received a commitment~~  
13           ~~for a loan under the Bankhead-Jones Farm Tenant~~  
14           ~~Act as amended, or as may hereafter be amended,~~  
15           ~~for the acquisition of a farm; or~~

16           ~~(G) Who is displaced from employment in an~~  
17           ~~agricultural production enterprise; or~~

18           ~~(H) Who is a member of the Hawaii Young Farmer~~  
19           ~~Association or a Future Farmer of America~~  
20           ~~graduate with two years of training with farming~~  
21           ~~projects; or~~



1       ~~(3) The person meets such other qualifications as the~~  
2           ~~board of land and natural resources may prescribe~~  
3           ~~pursuant to section 171-6.~~

4       ~~(b) No person shall be entitled to apply for a farm:~~

5       ~~(1) Who, or whose husband or wife, has previously taken or~~  
6           ~~held land for farm or homesteading under any~~  
7           ~~certificate, lease, or agreement or under any~~  
8           ~~homestead lease or patent based thereon; or~~

9       ~~(2) Who, or whose husband or wife, or both of them, owns~~  
10           ~~in fee simple other land in the State, the combined~~  
11           ~~area of which with the land in question exceeds eighty~~  
12           ~~acres; provided that:~~

13       ~~(A) The ownership of a residence lot or tract, not~~  
14           ~~exceeding three acres in area, shall not~~  
15           ~~disqualify any person otherwise qualified from~~  
16           ~~applying for and receiving any form of farm;~~

17       ~~(B) Any person who would otherwise qualify to take a~~  
18           ~~farm lot shall not be disqualified by reason of~~  
19           ~~taking, holding or owning land for farm or~~  
20           ~~homesteading or otherwise, if the land so taken,~~  
21           ~~held or owned becomes unusable for the purpose of~~  
22           ~~farming as defined in section 171-65.~~

1 ~~(c) The terms "farm" and "farmer" as used herein also mean~~  
2 ~~ranch and rancher respectively for the purposes of this~~  
3 ~~section." ]~~

4 SECTION 11. Section 171-69, Hawaii Revised Statutes, is  
5 repealed.

6 [~~§171-69 Preference right. Any person otherwise~~  
7 ~~qualified to take a farm lot shall have preference in any~~  
8 ~~drawing for farm lots, if the person:~~

9 ~~(1) Is a veteran (defined herein as a person who served in~~  
10 ~~the military forces of the United States during any~~  
11 ~~war between the United States and any other nation and~~  
12 ~~who was discharged or released therefrom under~~  
13 ~~conditions other than dishonorable); or~~

14 ~~(2) Has, within a period of not longer than five years~~  
15 ~~prior to the filing of the person's application, been~~  
16 ~~an owner in possession, or a lessee in possession~~  
17 ~~having an unexpired lease term of more than one year,~~  
18 ~~of farm premises which were taken by any governmental~~  
19 ~~authority for any public purpose and who was displaced~~  
20 ~~by reason of the taking or which became unusable for~~  
21 ~~farm purposes because the use was declared a public~~



1           ~~nuisance or was displaced by reason of a natural~~  
2           ~~disaster."]~~

3           SECTION 12. All rights, powers, functions, and duties of  
4 the department of land and natural resources with respect to the  
5 administration of agricultural leases are transferred to the  
6 agricultural development corporation.

7           All officers and employees whose functions are transferred  
8 by this Act shall be transferred with their functions and shall  
9 continue to perform their regular duties upon their transfer,  
10 subject to the state personnel laws and this Act.

11          No officer or employee of the State having tenure shall  
12 suffer any loss of salary, seniority, prior service credit,  
13 vacation, sick leave, or other employee benefit or privilege as  
14 a consequence of this Act, and such officer or employee may be  
15 transferred or appointed to a civil service position without the  
16 necessity of examination; provided that the officer or employee  
17 possesses the minimum qualifications for the position to which  
18 transferred or appointed; and provided that subsequent changes  
19 in status may be made pursuant to applicable civil service and  
20 compensation laws.

21          An officer or employee of the State who does not have  
22 tenure and who may be transferred or appointed to a civil



1 service position as a consequence of this Act shall become a  
2 civil service employee without the loss of salary, seniority,  
3 prior service credit, vacation, sick leave, or other employee  
4 benefits or privileges and without the necessity of examination;  
5 provided that such officer or employee possesses the minimum  
6 qualifications for the position to which transferred or  
7 appointed.

8       If an office or position held by an officer or employee  
9 having tenure is abolished, the officer or employee shall not  
10 thereby be separated from public employment, but shall remain in  
11 the employment of the State with the same pay and classification  
12 and shall be transferred to some other office or position for  
13 which the officer or employee is eligible under the personnel  
14 laws of the State as determined by the head of the department or  
15 the governor.

16       SECTION 13. All appropriations, records, equipment,  
17 machines, files, supplies, contracts, books, papers, documents,  
18 maps, and other personal property heretofore made, used,  
19 acquired, or held by the department of land and natural  
20 resources relating to the functions transferred to the  
21 agricultural development corporation shall be transferred with  
22 the functions to which they relate.



1 SECTION 14. In codifying the new sections added by section  
2 1 of this Act, the revisor of statutes shall substitute  
3 appropriate section numbers for the letters used in designating  
4 the new sections in this Act.

5 SECTION 15. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

7 SECTION 16. This Act shall take effect on January 1, 2007.

8

INTRODUCED BY:

*Russell Kohb*  
*J. A. Ger*  
*Shanne Chun Oakland*



SB. NO. 3079

**Report Title:**

Agribusiness Development Corporation; Department of Land and Natural Resources; Agricultural Leases

**Description:**

Transfers the administration of agricultural leases in the Department of Land and Natural Resources to the Agribusiness Development Corporation.

