
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 to provide lease management services.

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, or transfer them to a
15 qualified land trust, in accordance with the federal Natural
16 Resources Conservation Service Farm and Ranch Lands Protection
17 program.

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



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

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

12 [~~(f)~~] (h) 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."

PART II

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

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



1 " [†]§163D-15.6 **Commitment and preservation of agricultural**
2 **leases.** [†] (a) The agribusiness development corporation shall
3 work toward obtaining commitments from landowners in the leeward
4 and central districts of Oahu that their agricultural leases
5 shall be for a duration of twenty or more years, and shall not
6 be amended or revoked [~~in order~~] to allow for a nonagricultural
7 use of [~~such~~] the land[-]; provided that for lands in Kunia on
8 the island of Oahu acquired under Act , Session Laws of
9 Hawaii 2008, the agricultural leases shall be for no more than
10 fifty-five years.

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

PART III

21 SECTION 5. The purpose of this part is to comply with
22 article XI, sections 3 and 10 of the state constitution,



1 relating to the protection of agricultural lands and the
2 promotion of farm ownership and diversified agriculture, by
3 establishing a process to ensure that certain lands in the Kunia
4 area, on the island of Oahu:

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

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

16 SECTION 6. (a) The agribusiness development corporation
17 is authorized to purchase agricultural lands located in Kunia on
18 the island of Oahu.

19 (b) The agribusiness development corporation may purchase
20 the lands with a combination of revenues derived through the
21 issuance of revenue bonds pursuant to section 163D-9, Hawaii



1 Revised Statutes, and moneys appropriated under section 8 of
2 this Act.

3 (c) The agribusiness development corporation shall submit
4 to the legislature a progress report on its actions to obtain
5 agricultural lands in Kunia on the island of Oahu no later than
6 twenty days prior to the convening of the regular session of
7 2009.

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

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

19 SECTION 8. 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 2008-2009 for
22 purchasing agricultural lands in Kunia on the island of Oahu.



1 The sum appropriated shall be expended by the agribusiness
2 development corporation for the purposes of this part.

3 PART IV

4 SECTION 9. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 10. This Act shall take effect on July 1, 2008.

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Report Title:

Agricultural Lands; Agribusiness; Kunia

Description:

Authorizes the agribusiness development corporation to use revenue bonds to purchase agricultural land, including in Kunia on Oahu. Appropriates funds to purchase these lands. Enables the agribusiness development corporation to contract with banks to provide lease management services. Allows the agribusiness development corporation to lease agricultural lands in these areas for up to 55 years.

