
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 " ~~[f]~~ **§163D-7** ~~[f]~~ **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



1 its projects. The plans shall include a proposal for the
2 organization of the enterprise, a marketing information and
3 strategy, the impact on existing agricultural operations
4 throughout the [~~State,~~] state, and a recommendation for the
5 construction, reconstruction, rehabilitation, improvement,
6 alteration, or repair of any infrastructure or accessory
7 facilities in connection with any project.

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

14 (d) The corporation may purchase, accept, and maintain
15 permanent conservation easements, or transfer these easements to
16 a qualified land trust in accordance with the Natural Resources
17 Conservation Service farm and ranch lands protection program.

18 (e) 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 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."

15 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 ~~[7]~~ 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 central
8 Oahu acquired under Act , Session Laws of Hawaii 2007, the
9 agricultural leases shall be for no more than fifty-five years.

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

19 PART III

20 SECTION 5. The purpose of this part is to comply with
21 article XI, sections 3 and 10 of the State Constitution,
22 relating to the protection of agricultural lands and the



1 promotion of farm ownership and diversified agriculture, by
2 establishing a process to ensure that certain lands in the Kunia
3 and Ewa areas on Oahu:

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

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

15 SECTION 6. (a) The agribusiness development corporation
16 may purchase privately-owned agricultural lands located in the
17 Kunia and Ewa areas of Oahu.

18 (b) The agribusiness development corporation may purchase
19 the lands with a combination of revenues derived through the
20 issuance of revenue bonds pursuant to section 163D-9, Hawaii
21 Revised Statutes, and moneys appropriated under section 8 of
22 this Act.



1 (c) The agribusiness development corporation shall submit
2 to the legislature a progress report on its actions to obtain
3 the Kunia and Ewa agricultural lands not later than twenty days
4 prior to the convening of the 2008 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 to sustain and preserve
14 viable agricultural enterprises within a contiguous geographic
15 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 2007-2008, for
19 purchasing agricultural lands owned by private entities in Kunia
20 and Ewa on the island of Oahu.

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



1 PART IV

2 SECTION 9. In codifying this Act, the revisor of statutes
3 shall insert the appropriate number of this Act in section 4.

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

6 SECTION 11. This Act shall take effect on July 1, 2007.



REPORT Title:

Agricultural Lands; Agribusiness; Kunia

Description:

Authorizes the agribusiness development corporation to issue revenue bonds to purchase agricultural land in Kunia and Ewa from private entities. Appropriates funds to purchase the lands. Enables the agribusiness development corporation to contract with banks to provide lease management services. Allows corporation to lease agricultural lands in Kunia and Ewa for up to 55 years. (SB837 HD1)

