

JAN 19 2007

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# A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

PART I

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

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

"~~{}~~§163D-7~~{}~~ **Agricultural projects; agricultural development plans.** (a) The corporation may develop and implement agricultural projects where large tracts of agricultural land have been or will be taken out of productive agriculture or where, through detailed analysis, opportunities exist to exploit potential local, national, and international markets.

(b) The corporation may initiate and coordinate the 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, and a recommendation for the construction,  
5 reconstruction, rehabilitation, improvement, alteration, or  
6 repair of any infrastructure or accessory facilities in  
7 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 in accordance with the 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 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."

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 under its control 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."

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 central  
3 Oahu:

- 4 (1) Remain available for agricultural use;
- 5 (2) Are properly managed so as to ensure continued  
6 economic 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 central  
9 Oahu 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 central Oahu  
14 community and the community at large.

15 SECTION 6. (a) The agribusiness development corporation  
16 is authorized to purchase the agricultural lands located in  
17 central Oahu and owned by the Galbraith trust.

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 central Oahu 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 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 2007-2008, for  
19 purchasing agricultural lands owned by the Galbraith trust in  
20 central Oahu.

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



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PART IV

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

SECTION 10. This Act shall take effect on July 1, 2007.

INTRODUCED BY:

Russell Kolb



**Report Title:**

Agricultural Lands; Agribusiness; Central Oahu

**Description:**

Authorized the agribusiness development corporation to issue revenue bonds to purchase land in central Oahu from the Galbraith trust; appropriates funds to purchase the lands; enables the agribusiness development corporation to contract with lending institutions to provide lease management services.

