



GOV. MSG. NO. 1336

EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

July 12, 2011

The Honorable Shan Tsutsui, President
and Members of the Senate
Twenty-Sixth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

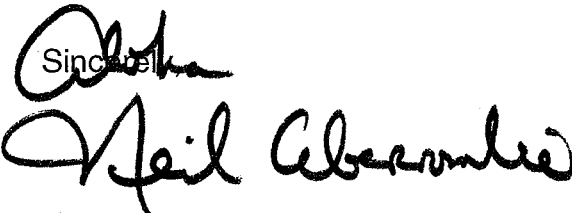
The Honorable Calvin Say, Speaker
and Members of the House
Twenty-Sixth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Tsutsui, Speaker Say and Members of the Legislature:

This is to inform you that on July 12, 2011, the following bill was signed into law:

SB1511 SD1 HD2 CD1

RELATING TO AQUACULTURE
Act 232 (11)

Sincerely,


NEIL ABERCROMBIE
Governor, State of Hawaii

Approved by the Governor

JUL 12 2011

on

THE SENATE
TWENTY-SIXTH LEGISLATURE, 2011
STATE OF HAWAII

ACT 232
S.B. NO. 1511
S.D. 1
H.D. 2
C.D. 1

A BILL FOR AN ACT

RELATING TO AQUACULTURE.

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

1 SECTION 1. The legislature finds that direct leasing of
2 public lands has been a cornerstone for building a successful
3 commercial aquaculture industry in the State. Currently,
4 aquaculture leases have a statutory limit of thirty-five years,
5 with no option for renewal, whereas state non-agricultural park
6 leases have a maximum term of sixty-five years for experienced
7 farmers and include the option for renewal.

8 Project financing and private-sector investment require
9 sufficient lease terms for ventures to reach economic viability.
10 Federally guaranteed loans for aquaculture enterprises are
11 available for loan terms up to forty years, but some require
12 applicants to have a lease with at least five years remaining
13 past the term of the loan, thus requiring a minimum of forty-
14 five years. Other federally guaranteed loans require a lease at
15 least fifty per cent longer than the term of the loan which, in
16 the case of a forty-year loan, translates to a minimum of sixty
17 years.



1 The purpose of this Act is to encourage commercial
2 aquaculture production in the State by providing favorable terms
3 for leasing public lands.

4 SECTION 2. Section 171-59, Hawaii Revised Statutes, is
5 amended by amending subsection (b) to read as follows:

6 "(b) Disposition of public lands for airline, aircraft,
7 airport-related, agricultural processing, cattle feed
8 production, aquaculture, marine, maritime, and maritime-related
9 operations may be negotiated without regard to the limitations
10 set forth in subsection (a) and section 171-16(c); provided
11 that:

12 (1) The disposition encourages competition within the
13 aeronautical, airport-related, agricultural,
14 aquaculture, maritime, and maritime-related
15 operations;

16 (2) The disposition shall not exceed a maximum term of
17 thirty-five years, except in the case of ~~maritime~~:

18 (A) Maritime and maritime-related operations, which
19 may provide for a maximum term of seventy years;
20 and

21 (B) Aquaculture operations, which may provide for a
22 maximum term of sixty-five years; provided that



1 aquaculture operations in good standing may seek
2 to renew a lease issued under this section and,
3 during the lease term, may engage in supportive
4 activities that are related to or integrated with
5 aquaculture; and

6 (3) The method of disposition of public lands for cattle
7 feed production as set forth in this subsection shall
8 not apply after December 31, 1988.

9 For the purposes of this subsection:

10 "Agricultural processing" means the processing of
11 agricultural products, including dairying, grown, raised, or
12 produced in Hawaii.

13 "Airport-related" means a purpose or activity that requires
14 air transportation to achieve that purpose or activity.

15 "Aquaculture" means the propagation, cultivation, or
16 farming of aquatic plants and animals in controlled or selected
17 environments for research, commercial, or stocking purposes,
18 including aquaponics or any growing of plants or animals with
19 aquaculture effluents.

20 "Maritime-related" means a purpose or activity that
21 requires and is directly related to the loading, off-loading,



1 storage, or distribution of goods and services of the maritime
2 industry."

3 SECTION 3. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 4. This Act shall take effect on July 1, 2011.

APPROVED this 12 day of JUL, 2011


GOVERNOR OF THE STATE OF HAWAII