
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. Project financing and private
6 sector investment require lease terms of sufficient duration for
7 ventures to reach economic viability. Federal loan guarantees
8 for aquaculture enterprises are available for terms of loans up
9 to forty years, but require applicants to have a remaining lease
10 at least five years longer than the term--a minimum of forty-
11 five years. Some loan programs require applicants to have a
12 lease term at least fifty per cent longer than the term--a
13 minimum of sixty years. On the other hand, for state non-
14 agricultural park leases, a maximum term of sixty-five years,
15 including an option for renewal, is available for experienced
16 farmers.



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

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

21 (B) In the case of aquaculture operations, which may
22 provide for a maximum term of forty-five years,



1 or a maximum term of sixty-five years for
 2 existing aquaculture operations in good standing
 3 for ten or more years. Aquaculture operations in
 4 good standing may have the right of first refusal
 5 and may seek to renew a lease issued under this
 6 paragraph. Aquaculture operations, during the
 7 lease term, may engage in supportive activities
 8 that are related to aquaculture;

9 and

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

13 For the purposes of this subsection:

14 "Agricultural processing" means the processing of
 15 agricultural products, including dairying, grown, raised, or
 16 produced in Hawaii.

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

19 "Aquaculture" means the propagation, cultivation, or
 20 farming of aquatic plants and animals in controlled or selected
 21 environments for research, commercial, or stocking purposes,



1 including aquaponics or any growing of plants or animals with
2 aquaculture effluents.

3 "Maritime-related" means a purpose or activity that
4 requires and is directly related to the loading, off-loading,
5 storage, or distribution of goods and services of the maritime
6 industry."

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

9 SECTION 4. This Act shall take effect on July 1, 2030.



Report Title:

Commercial Aquaculture Leases

Description:

Increases aquaculture leases from 35 to 45 years and allows a maximum term of 65 years for ventures in good standing for 10 years or more. Allows lessees in good standing the right of first refusal. Allows for supportive aquaculture activities. Effective July 1, 2030. (HB568 HD2)

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