
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 lease at least
10 five years longer than the term--a minimum of forty-five years.
11 On the other hand, for state non-agricultural park leases, a
12 maximum term of sixty-five years, including an option for
13 renewal, is available for experienced farmers.

14 The purpose of this Act is to encourage commercial
15 aquaculture production in the State by providing favorable terms
16 for leasing of public lands.

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



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

7 (1) The disposition encourages competition within the
8 aeronautical, airport-related, agricultural,
9 aquaculture, maritime, and maritime-related
10 operations;

11 (2) The disposition shall not exceed a maximum term of
12 thirty-five years, except [~~in~~]:

13 (A) In the case of maritime and maritime-related
14 operations, which may provide for a maximum term
15 of seventy years; and

16 (B) In the case of aquaculture operations, which may
17 provide for a maximum term of forty-five years,
18 or a maximum term of sixty-five years for
19 existing aquaculture operations in good standing
20 for ten or more years. Aquaculture operations in
21 good standing shall have the right of first
22 refusal and may seek to renew a lease issued



1 under this paragraph. Aquaculture operations,
2 during the lease term, may engage in supportive
3 activities that are related to aquaculture; and

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

7 For the purposes of this subsection:

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

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

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

18 "Maritime-related" means a purpose or activity that
19 requires and is directly related to the loading, off-loading,
20 storage, or distribution of goods and services of the maritime
21 industry."



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

3 SECTION 4. This Act shall take effect upon its approval.
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INTRODUCED BY:

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JAN 21 2011



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. Provides lessees in good standing the right of first refusal. Allows for supportive aquaculture activities.

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