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# 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.



**Report Title:**

Commercial Aquaculture Leases

**Description:**

Increases the maximum lease terms for aquaculture operations from 35 to 65 years. Allows aquaculture operations in good standing to renew their lease. Allows for supportive aquaculture activities. Defines "aquaculture" under Section 171-59(b), Hawaii Revised Statutes. (CD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

