
A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1 SECTION 1. The purpose of this Act is to protect and
2 promote agriculture by expanding the authority of the State to
3 acquire land for agricultural use.

4 More specifically, this Act:

5 (1) Broadens the types of real property that the
6 agribusiness development corporation may acquire for
7 agriculture;

8 (2) Appropriates funds to the corporation for the
9 acquisitions; and

10 (3) Authorizes the corporation to use its discretion to
11 identify the specific real property to be acquired
12 with the appropriations.

13 SECTION 2. Chapter 163D, Hawaii Revised Statutes, is
14 amended by amending the title of part II to read as follows:

15 "~~[+]PART II. ACQUISITION OF [IMPORTANT AGRICULTURAL LANDS]~~
16 REAL PROPERTY FOR AGRICULTURE"

17 SECTION 3. Section 163D-31, Hawaii Revised Statutes, is
18 amended to read as follows:



1 "~~[+]§163D-31[] Acquisitions of important agricultural~~
2 ~~lands authorized]~~ Acquisition of real property for agriculture;
3 authorization by the legislature. (a) The legislature may
4 authorize the corporation to acquire ~~[agricultural lands]~~ real
5 property for the protection of agricultural lands, public land
6 banking~~[, or the]~~ for future agricultural use, promotion of farm
7 ownership and diversified agriculture[-], and development,
8 maintenance, or preservation of water and irrigation resources
9 for agriculture. Real property that may be acquired under this
10 section shall include land that is not classified, designated,
11 or zoned for agricultural use, but that, subsequent to
12 acquisition, is reserved by the corporation for permissible
13 agricultural use. For the purpose of this part, "real property"
14 includes any interest in real property, including an easement.

15 (b) The acquisition shall be authorized by a bill enacted
16 into law ~~[and]~~. The act may authorize the corporation to use
17 its discretion to acquire real property of its choice or
18 identify the specific real property to be acquired. If the
19 latter, the act shall contain:

20 (1) A statement of the value of the ~~[interest in land]~~
21 real property as a resource to the State;



1 (2) A description of the specific [~~parcel of land~~] real
2 property or agricultural easement proposed [~~to be~~
3 ~~acquired,~~] for acquisition;

4 (3) The name of the owner of the real property; and

5 (4) The estimated costs of acquiring the [~~interest in the~~
6 ~~land,~~] real property.

7 (c) The [~~landowner~~] owner shall receive payment for the
8 [~~interest in the land~~] real property in a lump sum, through an
9 installment purchase agreement as determined pursuant to section
10 163D-32, or from revenues derived from the issuance of revenue
11 bonds pursuant to section 163D-9."

12 SECTION 4. Section 163D-32, Hawaii Revised Statutes, is
13 amended by amending subsection (a) to read as follows:

14 "(a) If the [~~landowner~~] owner agrees to the sale of the
15 [~~interest in lands~~] real property pursuant to section 163D-31,
16 the [~~landowner~~] owner and the corporation shall agree on whether
17 the [~~landowner~~] owner shall receive payment for the interest in
18 a lump sum or through an installment purchase agreement pursuant
19 to section 163D-33."

20 SECTION 5. Section 163D-33, Hawaii Revised Statutes, is
21 amended by amending subsection (a) to read as follows:



1 "(a) The legislature may authorize the corporation to
2 negotiate installment purchase agreements for the acquisition of
3 specific [~~parcels of land for the protection of agricultural~~
4 ~~lands, public land banking, or the promotion of farm ownership~~
5 ~~and diversified agriculture.~~] real property for a purpose
6 described in section 163D-31(a). The installment purchase
7 agreements shall be structured pursuant to the requirements of
8 the Internal Revenue Code of 1986, as amended, to defer
9 recognition of capital gain until all of the purchase price is
10 paid. The agreement shall include provisions for the periodic
11 payment of a portion of the purchase price with the remainder of
12 the purchase price paid at the end of the term of the agreement.
13 The legislature shall authorize the purchase of United States
14 Treasury zero coupon bonds for the installment purchase
15 agreement with a maturity date equal to the term of the
16 agreement."

17 SECTION 6. The legislature authorizes the agribusiness
18 development corporation to acquire real property for any purpose
19 described in section 163D-31(a), Hawaii Revised Statutes. The
20 legislature authorizes the corporation to use its discretion to
21 identify the specific real property to acquire.



1 SECTION 7. The director of finance is authorized to issue
 2 general obligation bonds in the sum of \$ or so much
 3 thereof as may be necessary and the same sum or so much thereof
 4 as may be necessary is appropriated for fiscal year 2013-2014
 5 for the purpose of acquiring real property for agriculture
 6 pursuant to chapter 163D, part II, Hawaii Revised Statutes, and
 7 this Act.

8 The sum appropriated shall be expended by the agribusiness
 9 development corporation.

10 SECTION 8. Statutory material to be repealed is bracketed
 11 and stricken. New statutory material is underscored.

12 SECTION 9. This Act shall take effect on July 1, 2013.
 13

INTRODUCED BY:

[Handwritten signatures and names]



H.B. NO. 628

Report Title:

Agribusiness Development Corporation; Agricultural Real Property Purchase; GO Bonds

Description:

Broadens the types of real property that may be acquired by the agribusiness development corporation for agriculture. Authorizes the issuance of \$ in general obligation bonds and appropriates the funds derived therefrom for fiscal year 2013-2014 to the corporation for real property acquisitions.

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

