

JAN 24 2013

A BILL FOR AN ACT

RELATING TO NON-AGRICULTURAL PARK LANDS.

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

1 SECTION 1. Section 166E-8, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) In all dispositions, the department shall be subject
4 to the requirements set forth in rules adopted by the board
5 consistent with section 166E-6 and subject to the following:

6 (1) All land and facilities shall be disposed of for
7 purposes of agricultural or aquacultural activities
8 only;

9 (2) Each lessee shall derive a major portion of the
10 lessee's total annual income earned from the lessee's
11 activities on the premises; provided that this
12 restriction shall not apply if:

13 (A) Failure to meet the restriction results from
14 mental or physical disability or the loss of a
15 spouse; or

16 (B) The premises are fully used in the production of
17 crops or products for which the disposition was
18 granted;



- 1 (3) The lessee shall comply with all federal and state
- 2 laws regarding environmental quality control;
- 3 (4) The board shall:
- 4 (A) Determine the specific uses for which the
- 5 disposition is intended;
- 6 (B) Parcel the land into minimum size economic units
- 7 sufficient for the intended uses;
- 8 (C) Make, or require the lessee to make, improvements
- 9 that are required to achieve the intended uses;
- 10 (D) Set the upset price or lease rent based upon an
- 11 appraised evaluation of the property value,
- 12 adjustable to the specified use of the lot;
- 13 (E) Set the term of the lease that shall be not less
- 14 than fifteen years nor more than sixty-five
- 15 years, including any extension granted for
- 16 mortgage lending or guarantee purposes; and
- 17 (F) Establish other terms and conditions it deems
- 18 necessary, including but not limited to
- 19 restrictions against alienation and provisions
- 20 for withdrawal by the board; [~~and~~]
- 21 (5) Any transferee, assignee, or sublessee of a non-
- 22 agricultural park lease shall first qualify as an



1 applicant under this chapter. For the purpose of this
2 paragraph, any transfer, assignment, sale, or other
3 disposition of any interest, excluding a security
4 interest, by any legal entity that holds a non-
5 agricultural park lease shall be treated as a transfer
6 of the non-agricultural park lease and shall be
7 subject to the approval of the board and to reasonable
8 terms and conditions, consistent with this chapter or
9 rules of the board that the board may deem necessary.
10 No transfer shall be approved by the board if the
11 disposition of the stock or assets or other interest
12 of the legal entity would result in the failure of the
13 entity to qualify for a non-agricultural park land
14 lease [-]; and

15 (6) For dispositions by negotiation that require the
16 submission of sealed bids pursuant to rules adopted by
17 the department, in addition to selecting the applicant
18 who submits the highest offer as the lessee, the
19 department is authorized to select qualified
20 applicants who submit the next highest offers as back-
21 up lessees, with whom the department may enter into



S.B. NO. 1215

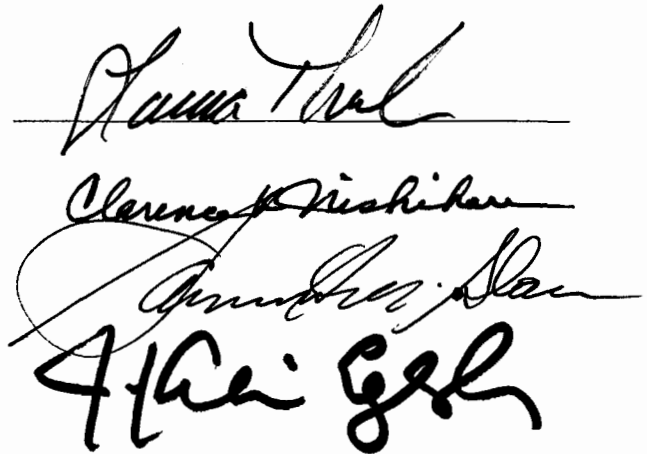
1 negotiations upon the failure by the highest offering
2 lessee to finalize a lease for any reason."

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

5 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY:





S.B. NO. 1215

Report Title:

Non-agricultural Park Lands; Bids

Description:

Authorizes the department of agriculture, in disposing of certain non-agricultural park lands by negotiation that requires the submission of sealed bids, to select qualified applicants as back-up lessees, with whom the department may negotiate upon the failure by the highest offering lessee to finalize a lease for any reason.

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