

JAN 18 2013

A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1 SECTION 1. Chapter 141, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§141- Department of agriculture lands; disposition;
5 agribusiness development corporation. The department of
6 agriculture may, as necessary, lease or otherwise dispose of
7 lands under its control to the agribusiness development
8 corporation for the agribusiness development corporation's use
9 for the purposes of chapter 163D."

10 SECTION 2. Chapter 166E, Hawaii Revised Statutes, is
11 amended by adding a new section to be appropriately designated
12 and to read as follows:

13 "§166E- Lease negotiation. Any provision of this
14 chapter to the contrary notwithstanding, the department may
15 directly negotiate and enter into leases with the agribusiness
16 development corporation and shall be exempt from any
17 qualification requirements."



1 SECTION 3. Section 166E-8, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "[+]§166E-8[+] Disposition. (a) Any provision of this
4 chapter to the contrary notwithstanding, the department may
5 dispose of:

6 (1) Public lands and related facilities set aside and
7 designated for use pursuant to this chapter; and

8 (2) Other lands and facilities under the jurisdiction of
9 the department pursuant to section 166E-9 and
10 notwithstanding chapter 171,

11 by negotiation, drawing of lot, conversion, or public auction.

12 Except as provided by subsection (d), the department shall
13 dispose of public lands by lease.

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

17 (1) All land and facilities shall be disposed of for
18 purposes of agricultural or aquacultural activities
19 only;

20 (2) Each lessee shall derive a major portion of the
21 lessee's total annual income earned from the lessee's



1 activities on the premises; provided that this
2 restriction shall not apply if:

3 (A) Failure to meet the restriction results from
4 mental or physical disability or the loss of a
5 spouse; or

6 (B) The premises are fully used in the production of
7 crops or products for which the disposition was
8 granted;

9 (3) The lessee shall comply with all federal and state
10 laws regarding environmental quality control;

11 (4) The board shall:

12 (A) Determine the specific uses for which the
13 disposition is intended;

14 (B) Parcel the land into minimum size economic units
15 sufficient for the intended uses;

16 (C) Make, or require the lessee to make, improvements
17 that are required to achieve the intended uses;

18 (D) Set the upset price or lease rent based upon an
19 appraised evaluation of the property value,
20 adjustable to the specified use of the lot;

21 (E) Set the term of the lease that shall be not less
22 than fifteen years nor more than sixty-five



1 years, including any extension granted for
2 mortgage lending or guarantee purposes; and
3 (F) Establish other terms and conditions it deems
4 necessary, including but not limited to
5 restrictions against alienation and provisions
6 for withdrawal by the board; and
7 (5) Any transferee, assignee, or sublessee of a non-
8 agricultural park lease shall first qualify as an
9 applicant under this chapter. For the purpose of this
10 paragraph, any transfer, assignment, sale, or other
11 disposition of any interest, excluding a security
12 interest, by any legal entity that holds a non-
13 agricultural park lease shall be treated as a transfer
14 of the non-agricultural park lease and shall be
15 subject to the approval of the board and to reasonable
16 terms and conditions, consistent with this chapter or
17 rules of the board that the board may deem necessary.
18 No transfer shall be approved by the board if the
19 disposition of the stock or assets or other interest
20 of the legal entity would result in the failure of the
21 entity to qualify for a non-agricultural park land
22 lease.

1 (c) After notice of the breach or default as provided in
2 rules adopted by the board consistent with section 166E-6, a
3 violation of any provision in this section shall be cause for
4 the board to cancel the lease and take possession of the land.

5 (d) The board may issue easements, licenses, permits, and
6 rights-of-entry for uses that are consistent with the purposes
7 for which the lands were set aside or are otherwise subject to
8 the authority of the department pursuant to section 166E-9.

9 (e) Subsection (b) (2) and (5) shall not apply to any
10 disposition of non-agricultural park lands leased or otherwise
11 disposed of by the department to the agribusiness development
12 corporation; provided that:

13 (1) Any transfer, assignment, or other disposition of any
14 interest of a non-agricultural park land lease,
15 excluding a security interest, by the agribusiness
16 development corporation, shall be treated as a
17 transfer of the non-agricultural park land lease and
18 shall be subject to the approval of the board and to
19 reasonable terms and conditions, consistent with this
20 chapter or rules of the board that the board may deem
21 necessary;



1 (2) Any disposition of lands or facilities to the
 2 agribusiness development corporation shall be for the
 3 purpose of agricultural or aquacultural activities, or
 4 shall otherwise promote the purpose established in
 5 chapter 163D; and

6 (3) The agribusiness development corporation shall not
 7 attempt to, nor make any agreement to, sell any leased
 8 non-agricultural park land."

9 SECTION 4. Statutory material to be repealed is bracketed
 10 and stricken. New statutory material is underscored.

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

12

INTRODUCED BY:

The image shows two handwritten signatures in black ink. The top signature is more stylized and cursive, while the bottom signature is more legible and appears to read 'Clarence F. ...'. Both signatures are written over a horizontal line that extends from the 'INTRODUCED BY:' text.



Report Title:

Department of Agriculture; Disposition of Lands; Agribusiness Development Corporation

Description:

Authorizes the department of agriculture to dispose of lands to the agribusiness development corporation. Exempts non-agricultural parks lands disposed to the agribusiness development corporation from section 166-8, HRS. Allows department of agriculture to negotiate and enter into leases with the agribusiness development corporation.

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

