
A BILL FOR AN ACT

RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION.

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

1 SECTION 1. The legislature finds that Act 264, Session
2 Laws of Hawaii 1994, created the agribusiness development
3 corporation to facilitate and provide direction for the
4 transition of Hawaii's agriculture industry from being
5 predominantly based on the sugar and pineapple industries to one
6 of diversified agriculture.

7 The legislature further finds that investing in sustainable
8 agriculture remains a top priority for the State, which has set
9 a goal of doubling local agricultural production by the year
10 2020. The agribusiness development corporation could assist in
11 increasing food sustainability for Hawaii if resources are
12 significantly devoted to developing crops for local food
13 consumption.

14 The purpose of this Act is to improve food sustainability
15 by:



- 1 (1) Requiring that at least fifty per cent of crops
2 developed by the agribusiness development corporation
3 be distributed to local markets;
- 4 (2) Requiring that at least fifty per cent of lands
5 managed by the agribusiness development corporation be
6 leased for operations that support local food
7 production;
- 8 (3) Specifying that annual reporting requirements for the
9 agribusiness development corporation include greater
10 detail about lands managed and leased by the
11 corporation; and
- 12 (4) Requiring the auditor to conduct a performance audit
13 of the agribusiness development corporation.

14 SECTION 2. Section 163D-2, Hawaii Revised Statutes, is
15 amended by amending the definition of "enterprise" to read as
16 follows:

17 "Enterprise" means a business with its principal place of
18 business in Hawaii, which is, or proposes to be, engaged in
19 agricultural crop development, development of new value-added
20 products, enhancement of existing agricultural commodities, and
21 the application of existing agricultural appurtenant facilities



1 to productive uses; provided that [~~the majority~~] at least fifty
2 per cent of whatever the corporation produces shall be [~~produced~~
3 ~~for export.~~] distributed to local markets."

4 SECTION 3. Section 163D-4, Hawaii Revised Statutes, is
5 amended by amending subsection (b) to read as follows:

6 "(b) The corporation shall develop, promote, assist, and
7 market export crops and other crops for local markets[~~-~~];
8 provided that at least fifty per cent of the crops developed by
9 the corporation shall be distributed to local markets."

10 SECTION 4. Section 163D-15.6, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "**§163D-15.6 Commitment and preservation of agricultural**
13 **leases.** (a) The [~~agribusiness development~~] corporation shall
14 work toward obtaining commitments from landowners in the leeward
15 and central districts of Oahu that their agricultural leases
16 shall be for a duration of twenty or more years and shall not be
17 amended or revoked to allow for a nonagricultural use of the
18 land; provided that for lands in central Oahu acquired under Act
19 234, Session Laws of Hawaii 2008, the agricultural leases shall
20 be for no more than fifty-five years.



1 (b) To further ensure the preservation of agriculture in
2 the leeward and central districts of Oahu, the [~~agribusiness~~
3 ~~development~~] corporation shall monitor the agricultural leases
4 of lands using the water from the Waiahole water system. In the
5 event of any proposed amendment or revocation of any lease, the
6 corporation shall do all things within its powers under this
7 chapter to protect and defend the interests of the agricultural
8 leaseholders to ensure the continuation of agricultural use for
9 those lands.

10 (c) Beginning on January 1, 2020, the corporation shall
11 lease each year a minimum of fifty per cent of lands managed by
12 the corporation to operations that support local food production
13 and whose primary business is local food production. This
14 subsection shall apply to all licenses and lease renewals.

15 (d) For the purpose of this section, "local food
16 production" means crops, livestock, poultry, and other foods
17 that are grown and raised in Hawaii at least in part for direct
18 consumption by Hawaii residents."

19 SECTION 5. Section 163D-19, Hawaii Revised Statutes, is
20 amended to read as follows:



1 " [†] §163D-19 [†] **Annual report.** (a) The corporation shall
2 submit to the governor and the legislature, no later than twenty
3 days prior to the convening of each regular session, a complete
4 and detailed report of its plans and activities.

5 (b) The following information shall be included in the
6 annual report and shall be posted on the corporation's website:

- 7 (1) The number of lots the corporation leased or used by
8 size and by island;
- 9 (2) The number of lots by island the corporation leased or
10 used that contain protocols and conditions supporting
11 specialty farm products;
- 12 (3) The number of vacant parcels and unoccupied parcels in
13 the leasing process by island, including the parcel
14 size, location, and date the parcel was last occupied
15 by a tenant; and
- 16 (4) A description of any lease sales or transfers approved
17 by the corporation, including:
- 18 (A) A description of the type of farm products
19 produced by the transferring lessee and the farm
20 products to be produced by the accepting lessee
21 on the leased lands; and



1 (B) The date and description of the transferring
2 lessee's last lease approved by the corporation."

3 SECTION 6. (a) The agribusiness development corporation
4 shall establish a sustainable agriculture and local food
5 production plan and begin implementing the plan within twelve
6 months from the effective date of this Act. The plan shall
7 include consultation with stakeholders experienced in
8 sustainable agricultural practices and shall also include
9 provisions that encourage partnerships with county governments.
10 The plan shall give preference to locally owned and operated
11 agricultural operations.

12 (b) The agribusiness development corporation shall submit
13 the sustainable agriculture and local food production plan to
14 the legislature no later than twenty days prior to the convening
15 of the regular session of 2020.

16 SECTION 7. The auditor shall conduct a performance audit
17 of the agribusiness development corporation that is established
18 under chapter 163D, Hawaii Revised Statutes; provided that as
19 part of the performance audit, the auditor shall evaluate:



- 1 (1) The effectiveness of the agribusiness development
2 corporation in advancing food sustainability and local
3 agricultural production;
- 4 (2) The impact of the agribusiness development corporation
5 on small-scale farming operations, including
6 opportunities for including small-scale farmers in
7 increasing local sustainable agricultural production;
- 8 (3) The fiscal responsibility of the agribusiness
9 development corporation, including the corporation's
10 land and lease management operations; and
- 11 (4) The extent to which the agribusiness development
12 corporation includes community engagement in planning
13 and implementing agricultural initiatives, including
14 land acquisition and development.

15 The auditor shall submit a report of findings and
16 recommendations, including any proposed legislation, to the
17 legislature no later than twenty days prior to the convening of
18 the regular session of 2020.

19 SECTION 8. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.



H.B. NO. 1066

1 SECTION 9. This Act shall take effect upon its approval.

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H.B. NO. 1066

Report Title:

Agribusiness Development Corporation; Audit; Reporting Requirements

Description:

Requires at least fifty percent of crops developed by Agribusiness Development Corporation (ADC) to be distributed to local markets, and requires at least fifty percent of lands managed by ADC to be leased for operations that support local food production. Specifies ADC annual reporting requirements and requires an audit of ADC.

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