

ACT 213

H.B. NO. 307

A Bill for an Act Relating to Agricultural Park Leases.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 166-11, Hawaii Revised Statutes, is amended to read as follows:

“§166-11 Lease negotiation. (a) The department of agriculture may negotiate and enter into leases with any person who:

- (1) As of July 1, 1996, holds a revocable permit for agricultural purposes; or
- (2) Has formerly held an agricultural lease ~~[which]~~ that expired within the last ten years preceding July 1, 1996, and has continued to occupy the state land; and
- (3) Does not own agriculturally-zoned land of twenty-five acres or more in the State, individually or jointly with a spouse, or whose spouse does not own twenty-five acres or more of agriculturally-zoned land in the State.

(b) The land eligible for lease negotiations under this section are limited to those lands:

- (1) Zoned and used for agricultural purposes;
- (2) Set aside by governor's executive order to the department of agriculture for agricultural uses only; and
- (3) Not needed by any state or county agency for any other public purpose.

(c) In negotiating and executing a lease as authorized, the board of agriculture shall:

- (1) Require the appraisal of the parcel to determine the fair market value;
- (2) Require the payment of annual lease rent based on the fair market value established by appraisal;
- (3) Require the payment of a premium, computed at twenty-five per cent of the annual lease rent, with the premium to be added to the annual lease rent for each year of the lease equal to the number of years the lessee has occupied the land, except that the premium period shall not exceed four years; and
- (4) Recover from the lessee the costs of expenditures required by the department to convert the parcel into leasehold.

(d) Within six months from July 1, 1996, the department shall notify in writing the permittees of lands eligible for lease negotiations under this

section and shall inform the permittees of the terms, conditions, and restrictions provided by this section. Any permittee may apply for a lease; provided that the application shall be submitted to the department in writing within thirty days from the date of receipt of notification; provided further that the department may require documentary proof from any applicant to determine that the applicant meets eligibility and qualification requirements for a lease as specified by this section.

(e) Notwithstanding any other law to the contrary, if any lessee holds a lease having a remaining term of fifteen years or less, the department may extend the term of the lease for an additional thirty years; provided that the land covered by the lease is:

- (1) Twenty-five acres or less; and
- (2) Located in a county having a population of less than five hundred thousand.”

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

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

(Approved July 5, 2023.)