
A BILL FOR AN ACT

RELATING TO AGRICULTURAL PARK LEASES.

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

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

3 "~~[+]§166-11[+]~~ **Lease negotiation.** (a) The department ~~[of~~
4 ~~agriculture]~~ may negotiate and enter into leases with any person
5 ~~[who]:~~

6 (1) ~~[As]~~ Who, as of July 1, 1996, holds a revocable permit
7 for agricultural purposes; or

8 (2) ~~[Has]~~ Who:

9 (A) Has formerly held an agricultural lease which
10 expired within the last ten years preceding
11 July 1, 1996, and has continued to occupy the
12 state land; and

13 ~~[-(3)-]~~ (B) Does not own ~~[agriculturally-zoned]~~
14 agriculturally zoned land of twenty-five acres or
15 more in the State, individually or jointly with a
16 spouse, or whose spouse does not own twenty-five



1 acres or more of [~~agriculturally-zoned~~]
2 agriculturally zoned land in the State.

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

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

11 (c) In negotiating and executing a lease as authorized,
12 the board [~~of agriculture~~] shall:

- 13 (1) Require the appraisal of the parcel to determine the
14 fair market value;
15 (2) Require the payment of annual lease rent based on the
16 fair market value established by appraisal;
17 (3) Require the payment of a premium, computed at twenty-
18 five per cent of the annual lease rent, with the
19 premium to be added to the annual lease rent for each
20 year of the lease equal to the number of years the



1 lessee has occupied the land, except that the premium
2 period shall not exceed four years; and

3 (4) Recover from the lessee the costs of expenditures
4 required by the department to convert the parcel into
5 leasehold.

6 Within six months from July 1, 1996, the department shall
7 notify in writing the permittees of lands eligible for lease
8 negotiations under this section and shall inform the permittees
9 of the terms, conditions, and restrictions provided by this
10 section. Any permittee may apply for a lease; provided that the
11 application shall be submitted to the department in writing
12 within thirty days from the date of receipt of notification;
13 provided further that the department may require documentary
14 proof from any applicant to determine that the applicant meets
15 eligibility and qualification requirements for a lease as
16 specified by this section.

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



- 1 (1) Twenty-five acres or less;
- 2 (2) Located in a county with a population of less than
- 3 five hundred thousand; and
- 4 (3) In active agricultural production, as determined by
- 5 the department in accordance with subsection (e);
- 6 provided that a lessee shall be exempt from this
- 7 requirement if failure to meet it results from mental
- 8 or physical disability or the loss of a spouse.

9 (e) For purposes of subsection (d) (3), land shall be
10 determined to be in active agricultural production when:

- 11 (1) Within a reasonable period of time and in accordance
- 12 with the plan of development and utilization specific
- 13 to the lease, the lessee derives the major portion of
- 14 the lessee's annual income from the production of
- 15 livestock, poultry, crops, or products for which the
- 16 land is granted to the lessee; or
- 17 (2) The premises are fully utilized in the production of
- 18 crops or products for which the lease was granted."

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

21



H.B. NO. 56

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

2

INTRODUCED BY:



JAN 13 2023



H.B. NO. 56

Report Title:

HDOA; Agricultural Park Leases; Extension

Description:

Allows the department of agriculture to extend the agricultural park lease of any lessee who holds a lease with a remaining term of 15 years or less; provided that the land covered by the lease is 25 acres or less, located in a county with a population of less than 500,000, and in active agricultural production.

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