
A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1 **PART I**

2 SECTION 1. The purpose of this part is to promote fiscal
3 accountability with regard to agricultural land lease agreements
4 between the State and lessees by allowing the agribusiness
5 development corporation to contract with financial institutions
6 to provide lease management services.

7 SECTION 2. Section 163D-7, Hawaii Revised Statutes, is
8 amended to read as follows:

9 " ~~{}~~§163D-7 ~~{}~~ Agricultural projects; agricultural
10 development plans. (a) The corporation may develop and
11 implement agricultural projects where large tracts of
12 agricultural land have been or will be taken out of productive
13 agriculture or where, through detailed analysis, opportunities
14 exist to exploit potential local, national, and international
15 markets.

16 (b) The corporation may initiate and coordinate the
17 preparation of business and agricultural development plans for



1 its projects. The plans shall include a proposal for the
2 organization of the enterprise, a marketing information and
3 strategy, the impact on existing agricultural operations
4 throughout the State, and a recommendation for the construction,
5 reconstruction, rehabilitation, improvement, alteration, or
6 repair of any infrastructure or accessory facilities in
7 connection with any project.

8 (c) The corporation may enter into cooperative agreements
9 with coordinating entrepreneurs or public agencies when the
10 powers, services, and capabilities of the persons or agencies
11 are deemed necessary and appropriate for the development and
12 implementation of the business and agricultural development
13 plans.

14 (d) The corporation may purchase, accept, and maintain
15 permanent conservation easements, or transfer them to a
16 qualified land trust, in accordance with the federal Natural
17 Resources Conservation Service Farm and Ranch Lands Protection
18 program.

19 (e) Notwithstanding any provision of this chapter to the
20 contrary, when leasing agricultural land under the corporation's
21 control, the corporation may contract with a financial
22 institution chartered under chapter 412 or a federal financial



1 " [+] §163D-15.6 Commitment and preservation of agricultural
2 leases. [+] (a) The agribusiness development corporation shall
3 work toward obtaining commitments from landowners in the leeward
4 and central districts of Oahu that their agricultural leases
5 shall be for a duration of twenty or more years[-] and shall not
6 be amended or revoked [~~in order~~] to allow for a nonagricultural
7 use of [~~such~~] the land[-]; provided that for lands in Kunia,
8 Ewa, or north of Wahiawa and Schofield on the island of Oahu
9 acquired under Act , Session Laws of Hawaii 2007, the
10 agricultural leases shall be for no more than fifty-five years.

11 (b) To further ensure the preservation of agriculture in
12 the leeward and central districts of Oahu, the agribusiness
13 development corporation shall monitor the agricultural leases of
14 lands [~~utilizing~~] using the water from the Waiahole water
15 system. In the event of any proposed amendment or revocation of
16 any such lease, the corporation shall do all things within its
17 powers under [+]this chapter[+] to protect and defend the
18 interests of the agricultural leaseholders to ensure the
19 continuation of agricultural use for those lands."

PART III

21 SECTION 5. The purpose of this part is to comply with
22 article XI, sections 3 and 10 of the state constitution,



1 relating to the protection of agricultural lands and the
2 promotion of farm ownership and diversified agriculture, by
3 establishing a process to ensure that certain lands in the
4 Kunia, Ewa, or north of Wahiawa and Schofield areas, or all on
5 the island of Oahu:

- 6 (1) Remain available for agricultural use;
- 7 (2) Are properly managed to ensure continued economic
8 viability while being used for agriculture; and
- 9 (3) Are managed in a manner that is sensitive to and
10 consistent with the needs of farmers in the Kunia or
11 Ewa areas, or both.

12 The legislature finds that this part is in accordance with
13 article XI, sections 3 and 10 of the state constitution, is in
14 the public interest, and will preserve agricultural activities
15 in the area and a lifestyle that benefits the Kunia, Ewa, and
16 Wahiawa communities and the communities at large.

17 SECTION 6. (a) The agribusiness development corporation
18 is authorized to purchase agricultural lands located in the
19 Kunia, Ewa, and north of Wahiawa and Schofield on the island of
20 Oahu.

21 (b) The agribusiness development corporation may purchase
22 the lands with a combination of revenues derived through the



1 issuance of revenue bonds pursuant to section 163D-9, Hawaii
2 Revised Statutes, and moneys appropriated under section 8 of
3 this Act.

4 (c) The agribusiness development corporation shall submit
5 to the legislature a progress report on its actions to obtain
6 Kunia, Ewa, and agricultural lands north of Wahiawa and
7 Schofield on the island of Oahu no later than twenty days prior
8 to the convening of the regular session of 2008.

9 SECTION 7. Section 163D-9, Hawaii Revised Statutes, is
10 amended by amending subsection (a) to read as follows:

11 "(a) The corporation, with the approval of the governor,
12 may issue, from time to time, revenue bonds in amounts not
13 exceeding the total amount of bonds authorized to be issued by
14 the legislature for the purpose of constructing, acquiring,
15 remodeling, furnishing, and equipping any project facility,
16 including the acquisition of the site thereof[-], or for
17 acquiring agricultural lands through purchase to sustain and
18 preserve viable agricultural enterprises within a contiguous
19 geographic area."

20 SECTION 8. There is appropriated out of the general
21 revenues of the State of Hawaii the sum of \$ or so
22 much thereof as may be necessary for fiscal year 2007-2008 for



1 purchasing agricultural lands in Kunia, Ewa, and north of
2 Wahiawa and Schofield on the island of Oahu.

3 The sum appropriated shall be expended by the agribusiness
4 development corporation for the purposes of this part.

5 PART IV

6 SECTION 9. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 10. This Act shall take effect on July 1, 2007.



Report Title:

Agricultural Lands; Agribusiness; Kunia, Ewa, and North of
Wahiawa and Schofield

Description:

Authorizes the agribusiness development corporation to use revenue bonds to purchase agricultural land, including in Kunia, Ewa, or north of Wahiawa and Schofield on Oahu. Appropriates funds to purchase these lands. Enables the agribusiness development corporation to contract with banks to provide lease management services. Allows the agribusiness development corporation to lease agricultural lands in these areas for up to 55 years. (SD1)

