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# 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 "[~~f~~]§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~~] state, and a recommendation for the  
5 construction, reconstruction, rehabilitation, improvement,  
6 alteration, or repair of any infrastructure or accessory  
7 facilities in 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 in accordance with the Natural  
16 Resources Conservation Service Farm and Ranch Lands Protection  
17 Program.

18 (e) Notwithstanding any provision of this chapter to the  
19 contrary, when leasing agricultural land under the corporation's  
20 control, the corporation may contract with a financial  
21 institution chartered under chapter 412 or a federal financial  
22 institution, as defined under section 412:1-109, that is



1 transacting business in this State to provide lease management  
2 services. For the purposes of this subsection, "lease  
3 management services" includes the collection of lease rent and  
4 any other moneys owed to the corporation related to the lease of  
5 agricultural land under the corporation's control.

6 [~~(d)~~] (f) The agricultural planning activities of the  
7 corporation shall be coordinated with the county planning  
8 departments and the county land use plans, policies, and  
9 ordinances.

10 [~~(e)~~] (g) The corporation may amend the business and  
11 agricultural development plans as may be necessary.

12 [~~(f)~~] (h) Any undertaking by the corporation pursuant to  
13 this chapter shall be with the express written consent of the  
14 landowner or landowners directly affected."

15 PART II

16 SECTION 3. The purpose of this part is to ensure the long-  
17 term availability of lands suitable for agricultural activities  
18 by authorizing the agribusiness development corporation to lease  
19 lands acquired under this Act for up to fifty-five years.

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





1 promotion of farm ownership and diversified agriculture, by  
2 establishing a process to ensure that certain lands in the Kunia  
3 or Ewa areas, or both, on the island of Oahu:

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

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

15 SECTION 6. (a) The agribusiness development corporation  
16 is authorized to purchase the agricultural lands located in the  
17 Kunia or Ewa areas, or both, on the island of Oahu.

18 (b) The agribusiness development corporation may purchase  
19 the lands with a combination of revenues derived through the  
20 issuance of revenue bonds pursuant to section 163D-9, Hawaii  
21 Revised Statutes, and moneys appropriated under section 8 of  
22 this Act.



1 (c) The agribusiness development corporation shall submit  
2 to the legislature a progress report on its actions to obtain  
3 the Kunia or Ewa agricultural lands, or both, no later than  
4 twenty days prior to the convening of the Regular Session of  
5 2008.

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

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

17 SECTION 8. There is appropriated out of the general  
18 revenues of the State of Hawaii the sum of \$ or so much  
19 thereof as may be necessary for fiscal year 2007-2008 for  
20 purchasing agricultural lands in Kunia or Ewa, or both, on the  
21 island of Oahu.





**Report Title:**

Agricultural Lands; Agribusiness; Kunia and Ewa

**Description:**

Authorizes the agribusiness development corporation to use revenue bonds to purchase agricultural land, including in Kunia or Ewa, or both, on Oahu. Appropriates funds to purchase the Kunia/Ewa 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 Kunia/Ewa for up to 55 years (HB337 HD1).

