
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~~] 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, or transfer them to a
16 qualified land trust, in accordance with the Natural Resources
17 Conservation Service Farm and Ranch Lands Protection 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, which 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 to ensure continued economic
6 viability while being 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 part 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 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 Kunia or Ewa agricultural lands, or both, no later than twenty
4 days prior to the convening of the regular session of 2008.

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

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

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

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



1 PART IV

2 SECTION 9. Statutory material to be repealed is bracketed
3 and stricken. New statutory material is underscored.

4 SECTION 10. This Act shall take effect on July 1, 2020.



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 HD2).

