

JAN 26 2011

A BILL FOR AN ACT

RELATING TO AQUACULTURE.

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

1 SECTION 1. The legislature finds that direct leasing of
2 public lands has been a cornerstone for building a successful
3 commercial aquaculture industry in the State. Currently,
4 aquaculture leases have a statutory limit of thirty-five years,
5 with no option for renewal. Project financing and private-
6 sector investment requires sufficient lease terms for ventures
7 to reach economic viability. Federal loan guarantees for
8 aquaculture enterprises are available for loan terms up to forty
9 years, but require applicants to have a lease at least five
10 years longer than the term, a minimum of forty-five years.
11 State non-agricultural park leases, however, have a maximum term
12 of sixty-five years for experienced farmers and also include the
13 option for renewal.

14 The purpose of this Act is to:

15 (1) Encourage commercial aquaculture production in the
16 State by providing favorable terms for the leasing of
17 public lands; and



(2) Gather information on opportunities to increase taro production in the State.

SECTION 2. Section 171-59, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Disposition of public lands for airline, aircraft, airport-related, agricultural processing, cattle feed production, aquaculture, marine, maritime, and maritime-related operations may be negotiated without regard to the limitations set forth in subsection (a) and section 171-16(c); provided that:

(1) The disposition encourages competition within the aeronautical, airport-related, agricultural, aquaculture, maritime, and maritime-related operations;

(2) The disposition shall not exceed a maximum term of thirty-five years, except ~~[in]~~:

(A) In the case of maritime and maritime-related operations, which may provide for a maximum term of seventy years; and

(B) In the case of aquaculture operations, which may provide for a maximum term of forty-five years.

Aquaculture operations in good standing may be



1 given the right of first refusal and may seek to
2 renew a lease issued under this paragraph.
3 Aquaculture operations, during the lease term,
4 may engage in supportive activities that are
5 related to aquaculture; and

6 (3) The method of disposition of public lands for cattle
7 feed production as set forth in this subsection shall
8 not apply after December 31, 1988.

9 For the purposes of this subsection:

10 "Agricultural processing" means the processing of
11 agricultural products, including dairying, grown, raised, or
12 produced in Hawaii.

13 "Airport-related" means a purpose or activity that requires
14 air transportation to achieve that purpose or activity.

15 "Aquaculture" means the propagation, cultivation, or
16 farming of aquatic plants and animals in controlled or selected
17 environments for research, commercial, or stocking purposes,
18 including aquaponics or any growing of plants with aquaculture
19 effluents, and includes taro.

20 "Maritime-related" means a purpose or activity that
21 requires and is directly related to the loading, off-loading,



1 storage, or distribution of goods and services of the maritime
2 industry."

3 SECTION 3. (a) The department of agriculture and the
4 department of land and natural resources shall conduct a
5 comprehensive study to identify parcels of land that can be
6 rehabilitated for or are suitable and available for taro
7 production. The comprehensive study shall include:

8 (1) An investigation of the department of land and natural
9 resources land use division survey of state lands and
10 the department of agriculture survey of agricultural
11 lands;

12 (2) A review of data from the department of land and
13 natural resources state historic preservation division
14 and other archival map and written sources; and

15 (3) A review of any available community-based mapping
16 efforts.

17 (b) For each parcel of land identified, the department of
18 agriculture and the department of land and natural resources
19 shall describe site conditions, water sources, infrastructure
20 availability, acreage, site location, and other relevant
21 information.



1 (c) The department of agriculture and the department of
 2 land and natural resources shall submit a report on the progress
 3 of the comprehensive study to the legislature no later than
 4 twenty days prior to the convening of the regular session of
 5 2012, with the final report to be submitted to the legislature
 6 no later than twenty days prior to the convening of the regular
 7 session of 2013.

8 SECTION 4. Statutory material to be repealed is bracketed
 9 and stricken. New statutory material is underscored.

10 SECTION 5. This Act shall take effect on July 1, 2011.

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INTRODUCED BY: Clarence A. Smith

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Report Title:

Aquaculture; Commercial Leases; Taro

Description:

Increases lease terms for aquaculture ventures from 35 to 45 years. Requires the DOA and the DLNR to conduct a review of the State's public land inventory and identify lands available and suitable for taro farming.

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