
A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1 SECTION 1. The legislature finds that Hawaii is
2 dangerously dependent on imported food. As the most
3 geographically isolated state in the nation, Hawaii imports
4 approximately ninety-two per cent of its food, according to the
5 United States Department of Agriculture. Currently, Hawaii has
6 a supply of fresh produce for no more than ten days. Ninety per
7 cent of the beef, sixty-seven per cent of the fresh vegetables,
8 sixty-five per cent of the fresh fruits, and eighty per cent of
9 all milk purchased in the State are imported. Hawaii's reliance
10 on out-of-state sources of food places residents directly at
11 risk of food shortages in the event of natural disasters,
12 economic disruption, and other external factors beyond the
13 State's control.

14 The legislature further finds that increasing local
15 production will ensure that Hawaii's food sources will be more
16 resilient to global supply disruptions and will further



1 diversify and stabilize Hawaii's economy, thereby creating jobs
2 and boosting the food security of the State.

3 The purpose of this Act is to direct the board of
4 agriculture, when negotiating and executing leases for
5 agricultural and non-agricultural park lands, to establish a
6 preference for farmers who produce food to be consumed locally
7 and Hawaiian plants. This Act also appropriates moneys to the
8 agricultural park special fund and the non-agricultural park
9 lands special fund to account for these preferences.

10 SECTION 2. Section 166-8, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "**§166-8 Preference right.** Any person who is otherwise
13 qualified to take an agricultural park lot, who [~~is~~]:

14 (1) Is a veteran with an honorable discharge[~~, or who~~
15 ~~qualifies~~];

16 (2) Qualifies as a displaced farmer[~~, or who operates~~];

17 (3) Operates a farm located in a zoning district where
18 such use is a nonconforming use[~~, or who qualifies~~];

19 (4) Qualifies as a new farmer[~~;~~]; or

20 (5) Is a farmer who produces food to be consumed locally
21 and Hawaiian plants,



1 shall be given preference in obtaining an agricultural park
2 lot."

3 SECTION 3. Section 166-10, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

5 "(a) There is created in the state treasury a special fund
6 to be designated as the agricultural park special fund. The
7 proceeds in the fund shall be used for the following purposes:

- 8 (1) Payment of agricultural park lease rents of privately
9 owned lands under lease to the State pursuant to
10 sections 171-112 and 166-3;
- 11 (2) Establishing, operating, maintaining, and improving
12 infrastructure improvements in agricultural parks
13 designated by the department pursuant to section 166-
14 3; [~~and~~]
- 15 (3) Any other purposes deemed necessary by the department
16 for the purpose of maintaining and operating those
17 agricultural parks and related facilities designated
18 by the department pursuant to section 166-3[~~-~~]; and
- 19 (4) For preferences for farmers who produce food to be
20 consumed locally and Hawaiian plants.



1 For the purpose of paragraph (2), infrastructure
2 improvements may include, but shall not be limited to:
3 irrigation water system projects, wind power or hydro power and
4 pumping systems, waste disposal systems, domestic water systems,
5 roads, street lights, land and roads drainage, and bridges."

6 SECTION 4. Section 166E-7, Hawaii Revised Statutes, is
7 amended by amending subsection (b) to read as follows:

8 "(b) Moneys in the special fund shall be used to [~~defray~~]:

9 (1) Defray the costs incurred in managing, administering,
10 and overseeing non-agricultural park lands that are
11 transferred, or in the process of being transferred,
12 to the department under this chapter[-]; and

13 (2) For preferences for farmers who produce food to be
14 consumed locally and Hawaiian plants."

15 SECTION 5. Section 166E-8, Hawaii Revised Statutes, is
16 amended by amending subsection (b) to read as follows:

17 "(b) In all dispositions, the department shall be subject
18 to the requirements set forth in rules adopted by the board
19 consistent with section 166E-6 and subject to the following:



- 1 (1) All land and facilities shall be disposed of for
2 purposes of agricultural or aquacultural activities
3 only;
- 4 (2) Each lessee shall derive a major portion of the
5 lessee's total annual income earned from the lessee's
6 activities on the premises; provided that this
7 restriction shall not apply if:
- 8 (A) Failure to meet the restriction results from
9 mental or physical disability or the loss of a
10 spouse; or
- 11 (B) The premises are fully used in the production of
12 crops or products for which the disposition was
13 granted;
- 14 (3) The lessee shall comply with all federal and state
15 laws regarding environmental quality control;
- 16 (4) The board shall:
- 17 (A) Determine the specific uses for which the
18 disposition is intended;
- 19 (B) Parcel the land into minimum size economic units
20 sufficient for the intended uses;



- 1 (C) Make, or require the lessee to make, improvements
2 that are required to achieve the intended uses;
- 3 (D) Set the upset price or lease rent based upon an
4 appraised evaluation of the property value,
5 adjustable to the specified use of the lot;
- 6 (E) Set the term of the lease that shall be not less
7 than fifteen years nor more than sixty-five
8 years, including any extension granted for
9 mortgage lending or guarantee purposes; ~~and~~
- 10 (F) In granting leases, establish a preference for
11 farmers who produce food to be consumed locally
12 and Hawaiian plants; and
- 13 ~~(F)~~ (G) Establish other terms and conditions it
14 deems necessary, including but not limited to
15 restrictions against alienation and provisions
16 for withdrawal by the board; and
- 17 (5) Any transferee, assignee, or sublessee of a non-
18 agricultural park lease shall first qualify as an
19 applicant under this chapter. For the purpose of this
20 paragraph, any transfer, assignment, sale, or other
21 disposition of any interest, excluding a security



1 interest, by any legal entity that holds a non-
2 agricultural park lease shall be treated as a transfer
3 of the non-agricultural park lease and shall be
4 subject to the approval of the board and to reasonable
5 terms and conditions, consistent with this chapter or
6 rules of the board that the board may deem necessary.
7 No transfer shall be approved by the board if the
8 disposition of the stock or assets or other interest
9 of the legal entity would result in the failure of the
10 entity to qualify for a non-agricultural park land
11 lease."

12 SECTION 6. There is appropriated out of the general
13 revenues of the State of Hawaii the sum of \$ or so much
14 thereof as may be necessary for fiscal year 2017-2018 and the
15 same sum or so much thereof as may be necessary for fiscal year
16 2018-2019 to be deposited into the agricultural park special
17 fund established by section 166-10, Hawaii Revised Statutes.

18 SECTION 7. There is appropriated out of the agricultural
19 park special fund the sum of \$ or so much thereof as may
20 be necessary for fiscal year 2017-2018 and the same sum or so
21 much thereof as may be necessary for fiscal year 2018-2019.



1 The sums appropriated shall be expended by the department
2 of agriculture to account for the preferences established
3 pursuant to section 166-8(5), Hawaii Revised Statutes.

4 SECTION 8. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$ or so much
6 thereof as may be necessary for fiscal year 2017-2018 and the
7 same sum or so much thereof as may be necessary for fiscal year
8 2018-2019 to be deposited into the non-agricultural park lands
9 special fund established by section 166E-7, Hawaii Revised
10 Statutes.

11 SECTION 9. There is appropriated out of the non-
12 agricultural park lands special fund the sum of \$ or so
13 much thereof as may be necessary for fiscal year 2017-2018 and
14 the same sum or so much thereof as may be necessary for fiscal
15 year 2018-2019.

16 The sums appropriated shall be expended by the department
17 of agriculture to account for the preferences established
18 pursuant to section 166E-8(b)(4)(F), Hawaii Revised Statutes.

19 SECTION 10. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

21 SECTION 11. This Act shall take effect on July 1, 2017.



Report Title:

Agricultural Parks; Non-agricultural Park Lands; Lease Preference; Appropriations

Description:

Requires the Board of Agriculture, when negotiating and executing leases for agricultural and non-agricultural park lands, to establish a preference for farmers who produce food to be consumed locally and Hawaiian plants. (HB774 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

