

---

---

# A BILL FOR AN ACT

RELATING TO THE TRANSFER OF NON-AGRICULTURAL PARK LANDS.

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

1 PART I

2 SECTION 1. The legislature finds that Act 90, Session Laws  
3 of Hawaii 2003, was enacted to transfer certain non-agricultural  
4 park lands from the department of land and natural resources to  
5 the department of agriculture. While three hundred parcels  
6 consisting of approximately nineteen thousand acres have been  
7 transferred over the past seventeen years, many parcels have not  
8 been transferred.

9 The legislature further finds that many state pasture  
10 lessees have requested the department of land and natural  
11 resources to transfer their leases to the department of  
12 agriculture for management because the department of agriculture  
13 has greater flexibility under chapter 166E, Hawaii Revised  
14 Statutes, to amend, extend, and issue new leases by negotiation.  
15 The department of land and natural resources has not acted on  
16 the requests of its pasture lessees because of the high natural  
17 resource value of certain pasture lands, their proximity to



1 forest reserves, or their importance in providing access to  
2 other public lands for hunting or public recreation purposes.

3 The legislature notes that the perceived need to transfer  
4 pasture leases to the department of agriculture can, in part, be  
5 relieved by providing the department of land and natural  
6 resources with statutory powers and requiring the adoption of  
7 administrative rules similar to those exercised by the  
8 department of agriculture in the management of its leases. The  
9 legislature further notes that the department of land and  
10 natural resources needs greater flexibility to manage its  
11 industrial leases as well.

12 The legislature believes that positive advancement in  
13 sustainable agriculture, carbon sequestration challenges,  
14 wildlife management, wildfire protection and forest health  
15 concerns can be cooperatively managed through mutually  
16 beneficial practices with ranching, wildlife protection, and  
17 native forest restoration.

18 PART II

19 SECTION 2. The purpose of this part is to facilitate the  
20 transfer of certain non-agricultural park lands from the  
21 department of land and natural resources to the department of



1 agriculture pursuant to Act 90, Session Laws of Hawaii 2003, and  
2 chapter 166E, Hawaii Revised Statutes, regarding non-  
3 agricultural park lands, by requiring the two departments to  
4 periodically meet to discuss the potential for future land  
5 transfers.

6 SECTION 3. Section 166E-3, Hawaii Revised Statutes, is  
7 amended to read as follows:

8 **"§166E-3 Transfer and management of non-agricultural park**  
9 **lands and related facilities to the department of agriculture.**

10 (a) Upon mutual agreement and approval of the board and the  
11 board of land and natural resources:

12 (1) The department may accept the transfer of and manage  
13 certain qualifying non-agricultural park lands; and

14 (2) Certain assets, including position counts, related to  
15 the management of existing encumbered and unencumbered  
16 non-agricultural park lands and related facilities  
17 shall be transferred to the department.

18 (b) The department shall administer a program to manage  
19 the transferred non-agricultural park lands under rules adopted  
20 by the board pursuant to chapter 91. The program and its rules  
21 shall be separate and distinct from the agricultural park



1 program and its rules. Non-agricultural park lands are not the  
 2 same as, and shall not be selected or managed as ~~are~~, lands  
 3 under agricultural park leases. Prior to offering a lease, the  
 4 department shall inquire with the department of land and natural  
 5 resources regarding any easements required by the department of  
 6 land and natural resources to access landlocked forest reserves  
 7 or other assets of the department of land and natural resources  
 8 on the lands subject to the lease. Notwithstanding any other  
 9 law to the contrary, the program shall include the following  
 10 conditions pertaining to encumbered non-agricultural park lands:

- 11 (1) The lessee or permittee shall perform in full  
 12 compliance with the existing lease or permit;
- 13 (2) The lessee or permittee shall not be in arrears in the  
 14 payment of taxes, rents, or other obligations owed to  
 15 the State or any county;
- 16 (3) The lessee's or permittee's agricultural operation  
 17 shall be economically viable as specified by the  
 18 board; and
- 19 (4) No encumbered or unencumbered non-agricultural park  
 20 lands with soils classified by the land study bureau's  
 21 detailed land classification as overall (master)



1 productivity rating class A or B shall be transferred  
2 for the use or development of golf courses, golf  
3 driving ranges, and country clubs.

4 The transfer of non-agricultural park lands shall be done [~~in a~~  
5 ~~manner to be determined by the board of agriculture,~~] pursuant  
6 to this section.

7 (c) For any encumbered or unencumbered non-agricultural  
8 park lands transferred to the department that are not being  
9 utilized or required for the public purpose stated, the order  
10 setting aside the lands shall be withdrawn and the lands shall  
11 be returned to the department of land and natural resources.

12 (d) No later than one year after the effective date of  
13 Act \_\_\_\_\_, Session Laws of Hawaii 2021, the department and the  
14 department of land and natural resources shall meet and identify  
15 by mutual agreement the non-agricultural park lands under the  
16 jurisdiction of the department of land and natural resources  
17 that are not in use for the public purpose for which it has been  
18 leased, should be rezoned as lands in the conservation district,  
19 and should remain under the jurisdiction of the department of  
20 land and natural resources. All other non-agricultural park  
21 lands currently leased and being utilized for the agricultural



1 public purpose for which it has been leased shall be transferred  
2 to the department.

3 (e) All non-agricultural park lands under the jurisdiction  
4 of the department of land and natural resources and not  
5 identified pursuant to subsection (d) shall be placed under the  
6 jurisdiction of the department no later than December 31, 2023.

7 (f) Beginning in the 2021-2022 fiscal year, and no less  
8 than every fifth fiscal year thereafter, the department and the  
9 department of land and natural resources shall meet and  
10 determine additional lands that may be appropriate for transfer  
11 from the department of land and natural resources to the  
12 department for the purposes of this chapter."

13 SECTION 4. (a) No later than twenty days prior to the  
14 convening of the regular session of 2022, the department of land  
15 and natural resources shall submit a report to the legislature  
16 on its meetings with the department of agriculture pursuant to  
17 section 166E-3(d), Hawaii Revised Statutes, regarding the  
18 progress and status of:

19 (1) Identifying by mutual agreement the non-agricultural  
20 park lands under the jurisdiction of the department of



1 land and natural resources that are not in use for the  
2 public purpose for which it has been leased;

3 (2) Rezoning the non-agricultural park lands under the  
4 jurisdiction of the department of land and natural  
5 resources, that are not in use for the public purpose  
6 for which it has been leased, as lands in the  
7 conservation district; and

8 (3) Transferring the non-agricultural park lands under the  
9 jurisdiction of the department of land and natural  
10 resources that are currently leased and being utilized  
11 for the agricultural public purpose as defined by  
12 their current lease agreements.

13 (b) No later than twenty days prior to the convening of  
14 the regular session of 2023 and annually thereafter, the  
15 department of land and natural resources shall submit to the  
16 legislature a report regarding the transfer of non-agricultural  
17 park lands under its jurisdiction, that are currently leased and  
18 being utilized for the agricultural public purpose as defined by  
19 their current lease agreements, to the department of  
20 agriculture.

21 PART III



1 SECTION 5. The purpose of this part is to authorize the  
2 board of land and natural resources to amend and extend existing  
3 pasture or industrial leases and to issue new pasture or  
4 industrial leases by negotiation in furtherance of public  
5 purposes that are the responsibility of the board of land and  
6 natural resources and department of agriculture to promote, such  
7 as food production and natural resource conservation and  
8 stewardship.

9 SECTION 6. Section 171-36, Hawaii Revised Statutes, is  
10 amended to read as follows:

11 **"§171-36 Lease restrictions; generally.** (a) Except as  
12 otherwise provided, the following restrictions shall apply to  
13 all leases:

- 14 (1) Options for renewal of terms are prohibited;
- 15 (2) No lease shall be for a longer term than sixty-five  
16 years, except in the case of a residential leasehold,  
17 which may provide for an initial term of fifty-five  
18 years with the privilege of extension to meet the  
19 requirements of the Federal Housing Administration,  
20 Federal National Mortgage Association, Federal Land  
21 Bank of Berkeley, Federal Intermediate Credit Bank of



1 Berkeley, Berkeley Bank for Cooperatives, or  
2 Department of Veterans Affairs requirements; provided  
3 that the aggregate of the initial term and extension  
4 shall in no event exceed seventy-five years;

5 (3) No lease shall be made for any land under a lease that  
6 has more than two years to run;

7 (4) No lease shall be made to any person who is in arrears  
8 in the payment of taxes, rents, or other obligations  
9 owed to the State or any county;

10 (5) No lease shall be transferable or assignable, except  
11 by devise, bequest, or intestate succession; provided  
12 that with the approval of the board, the assignment  
13 and transfer of a lease or unit thereof may be made in  
14 accordance with current industry standards, as  
15 determined by the board; provided further that prior  
16 to the approval of any assignment of lease, the board  
17 shall have the right to review and approve the  
18 consideration to be paid by the assignee and may  
19 condition its consent to the assignment of the lease  
20 on payment by the lessee of a premium based on the  
21 amount by which the consideration for the assignment,



1           whether by cash, credit, or otherwise, exceeds the  
2           depreciated cost of improvements and trade fixtures  
3           being transferred to the assignee; provided further  
4           that with respect to state agricultural leases, in the  
5           event of foreclosure or sale, the premium, if any,  
6           shall be assessed only after the encumbrances of  
7           record and any other advances made by the holder of a  
8           security interest are paid;

9           (6) The lessee shall not sublet the whole or any part of  
10          the demised premises, except with the approval of the  
11          board; provided that prior to the approval, the board  
12          shall have the right to review and approve the rent to  
13          be charged to the sublessee; provided further that in  
14          the case where the lessee is required to pay rent  
15          based on a percentage of its gross receipts, the  
16          receipts of the sublessee shall be included as part of  
17          the lessee's gross receipts; provided further that the  
18          board shall have the right to review and, if  
19          necessary, revise the rent of the demised premises  
20          based upon the rental rate charged to the sublessee,



1 including the percentage rent, if applicable, and  
2 provided that the rent may not be revised downward;

3 (7) The lease shall be for a specific use or uses and  
4 shall not include waste lands, unless it is  
5 impractical to provide otherwise;

6 (8) Mineral and metallic rights and surface and ground  
7 water shall be reserved to the State; and

8 (9) No lease of public lands, including submerged lands,  
9 or any extension of any lease of public lands shall be  
10 issued by the State to any person to construct, use,  
11 or maintain a sunbathing or swimming pier or to use  
12 the lands for those purposes, unless the lease, or any  
13 extension thereof, contains provisions permitting the  
14 general public to use the pier facilities on the  
15 public lands and requiring that a sign or signs be  
16 placed on the pier, clearly visible to the public,  
17 that indicates the public's right to the use of the  
18 pier. The board, at the earliest practicable date,  
19 and where legally possible, shall cause all existing  
20 leases to be amended to conform to this paragraph.

21 The term "lease", for the purposes of this paragraph,



1 includes month-to-month rental agreements and similar  
2 tenancies.

3 (b) The board, from time to time, upon the issuance or  
4 during the term of any intensive agricultural, aquaculture,  
5 commercial, mariculture, special livestock, pasture, or  
6 industrial lease, may:

7 (1) Modify or eliminate any of the restrictions specified  
8 in subsection (a);

9 (2) Extend or modify the fixed rental period of the lease;  
10 provided that the aggregate of the initial term and  
11 any extension granted shall not exceed sixty-five  
12 years; or

13 (3) Extend the term of the lease, to the extent necessary  
14 to qualify the lease for mortgage lending or guaranty  
15 purposes with any federal mortgage lending agency, to  
16 qualify the lessee for any state or private lending  
17 institution loan, private loan guaranteed by the  
18 State, or any loan in which the State and any private  
19 lender participates, or to amortize the cost of  
20 substantial improvements to the demised premises that



1           are paid for by the lessee without institutional  
2           financing.

3           (c) Any extension authorized pursuant to subsection (b)  
4 shall be based on the economic life of the improvements as  
5 determined by the board or an independent appraiser; provided  
6 that the approval of any extension shall be subject to the  
7 following:

8           (1) The demised premises have been used substantially for  
9           the purpose for which they were originally leased;

10          (2) The aggregate of the initial term and any extension  
11          granted shall not be for more than sixty-five years;

12          (3) In the event of a reopening, the rental for any  
13          ensuing period shall be the fair market rental at the  
14          time of reopening;

15          (4) Any federal or private lending institution shall be  
16          qualified to do business in the State;

17          (5) Proceeds of any mortgage or loan shall be used solely  
18          for the operations or improvements on the demised  
19          premises;

20          (6) Where improvements are financed by the lessee, the  
21          lessee shall submit receipts of expenditures within a



1           time period specified by the board or else the lease  
2           extension shall be canceled; and

3           (7) The rules of the board setting forth any additional  
4           terms and conditions, which shall ensure and promote  
5           the purposes of the demised lands.

6           (d) The board, at any time during the term of any  
7           intensive agricultural, aquaculture, or mariculture lease and  
8           when justified by sound economic practices or other  
9           circumstances, may permit an alternative agricultural,  
10          aquaculture, or mariculture use or uses for any portion or  
11          portions of the land demised. As a condition to permitting  
12          alternative uses, the board may require any other modifications,  
13          including rental adjustments or changes in the lease, as may be  
14          necessary to effect or accommodate the alternative use or uses.

15          An alternative use or uses may be allowed by the board upon:

- 16           (1) The application of the lessee;
- 17           (2) Consent of each holder of record having a security  
18           interest in the leasehold; and
- 19           (3) A finding by the board that the alternative use or  
20           uses are in the public interest.



1 (e) The board, from time to time, during the term of any  
2 agriculture, intensive agriculture, aquaculture, commercial,  
3 mariculture, special livestock, pasture, or industrial lease,  
4 may modify or eliminate any of the restrictions specified in  
5 subsection (a), extend or modify the fixed rental period of the  
6 lease, or extend the term of the lease upon a showing of  
7 significant economic hardship directly caused by:

8 (1) State disaster, pursuant to chapter 209, including  
9 seismic or tidal wave, tsunami, hurricane, volcanic  
10 eruption, typhoon, earthquake, flood, or severe  
11 drought; or

12 (2) A taking of a portion of the area of the lease by  
13 government action by eminent domain, withdrawal, or  
14 conservation easement; provided that the portion taken  
15 shall not be less than ten per cent of the entire  
16 leased area unless otherwise approved by the board;  
17 and provided that the board determines that the lessee  
18 will not be adequately compensated pursuant to the  
19 lease provisions.

20 (f) The approval of any extension granted pursuant to  
21 subsection (e) shall be subject to the following:



- 1 (1) The demised premises have been used substantially for  
2 the purposes for which they were originally leased;
- 3 (2) The aggregate of the initial term and any extension  
4 granted shall not be for more than fifty-five years;
- 5 (3) The rental shall not be less than the rental for the  
6 preceding term;
- 7 (4) The rules of the board setting forth any additional  
8 terms and conditions, which shall ensure and promote  
9 the purposes of the demised lands; and
- 10 (5) The length of the extension shall not exceed a  
11 reasonable length of time for the purpose of providing  
12 relief [~~and shall in no case exceed five years~~].
- 13 (g) Any provision of this chapter to the contrary  
14 notwithstanding, the board may amend and extend pasture or  
15 industrial leases in furtherance of public purposes that are the  
16 responsibility of the department and the department of  
17 agriculture to promote; provided that:
- 18 (1) The leased lands have been used substantially for the  
19 purpose for which they were originally leased;



1       (2) The aggregate of the initial term and any extension  
2       granted shall not be for more than sixty-five years;  
3       and

4       (3) The board may consider key characteristics of public  
5       lands most likely to benefit from the amendment and  
6       extension of pasture or industrial leases,  
7       identification of public purposes to be promoted  
8       through lease amendment and extension, a description  
9       of the types of lessee obligations regarding natural  
10       resource conservation and stewardship that will serve  
11       to achieve the identified public purposes, a statement  
12       of the types of lease amendments that are desirable to  
13       promote these public purposes, eligibility  
14       requirements for pasture or industrial lessees, and  
15       applicant qualifications.

16       The board may set the lease rent for the period of the  
17       lease term occurring after an amendment under this subsection on  
18       such terms and conditions as the board may determine, including  
19       but not limited to a value that incentivizes or otherwise  
20       promotes ranching operations compatible with the public purposes  
21       that are the responsibility of the department to promote. In



1 arriving at a rental value, the board may also consider the  
2 specified use of the land; any restriction on grazing or other  
3 beneficial uses of the land or portions thereof by lessee; any  
4 conservation or stewardship services required to be performed by  
5 the lessee under the amended lease; and any withdrawal of lands  
6 from the lease premises. If an independent appraisal is  
7 procured to determine rent for an amended pasture or industrial  
8 lease, the board may apply a lower rate of return if warranted  
9 after consideration of the public purpose served by the lease,  
10 use restrictions thereunder, and any obligation of the lessee to  
11 provide conservation or stewardship services."

12 SECTION 7. Section 171-37.5, Hawaii Revised Statutes, is  
13 amended by amending subsection (a) to read as follows:

14 "(a) Upon a withdrawal or taking of leased land pursuant  
15 to section 171-37(3) that causes any portion of the land to  
16 become unusable for the specific use or uses for which it was  
17 leased, the lease rent shall be reduced in proportion to the  
18 value of the land withdrawn or made unusable; provided that if  
19 any permanent improvement made to or constructed upon the land  
20 by the lessee is destroyed or made unusable in the process of  
21 the withdrawal or taking, the proportionate value thereof shall



1 be paid to the lessee based upon the unexpired term of the  
2 lease. No land that is under cultivation shall be withdrawn or  
3 taken until the crops are harvested, unless the board pays the  
4 lessee the value of the crops.

5       Upon a withdrawal, any person with a long-term lease shall  
6 be compensated for the present value of all [~~permanent~~] capital  
7 improvements, including water systems, pasture management  
8 systems, pasture and soil improvements, and invasive weed  
9 control in place at the time of the withdrawal that were legally  
10 made to or constructed upon the land by the lessee of the leased  
11 land being withdrawn[-]; provided that a withdrawal shall not  
12 adversely affect the lessee's cost of production by greater than  
13 ten per cent over a five year period nor over five per cent in a  
14 single year within that five year period.

15       For the purposes of cattle production, "cost of production"  
16 means the ranch's total annual expenses divided by the total  
17 pounds of calves weaned in that same period.

18       In the case of tree-crops, as defined in section 171-37,  
19 the board shall pay to the lessee the residual value of the  
20 trees taken and, if there are unharvested crops, the value of  
21 the crops.



1           In the case of breeding livestock that cannot be relocated  
2 or marketed for the breeding value, the board shall pay to the  
3 lessee the difference between the appraised breeding value and  
4 the salvage value, including the cost of transportation to a  
5 market on the island on which the leased land is located. If  
6 there is disagreement between the board and the lessee as to the  
7 number of breeding livestock that cannot be relocated or  
8 marketed for breeding value, the issue shall be submitted to the  
9 department of agriculture to make a determination, which shall  
10 be final. The appraised breeding value shall be the fair market  
11 value of the livestock, as opposed to net present value, at the  
12 time the board approves the withdrawal or taking of a portion or  
13 all of the leased land. The fair market value shall be  
14 determined by:

15           (1) An employee of the department of agriculture qualified  
16           to appraise livestock; or

17           (2) A disinterested livestock appraiser whose services  
18           shall be contracted for by the board,

19 and the lessee shall be promptly notified of the determination;  
20 provided that should the lessee fail to agree upon the fair  
21 market value, the lessee may appoint the lessee's own livestock



1 appraiser who together with the board's appraiser shall appoint  
2 a third appraiser and the fair market value shall be determined  
3 by arbitration as provided in chapter 658A. The lessee shall  
4 pay for the lessee's own livestock appraiser, the board shall  
5 pay for the board's livestock appraiser, and the cost of the  
6 third livestock appraiser shall be borne equally by the lessee  
7 and the board. Whenever more than one livestock appraiser is  
8 appointed, each shall prepare and submit an independent  
9 appraisal report."

10 SECTION 8. Section 171-59, Hawaii Revised Statutes, is  
11 amended to read as follows:

12 **"§171-59 Disposition by negotiation.** (a) A lease of  
13 public land may be disposed of through negotiation upon a  
14 finding by the board of land and natural resources that the  
15 public interest demands it. Where the public land is being  
16 sought under this section by a sugar or pineapple company, and  
17 the company is the owner or operator of a mill or cannery, then,  
18 for the purposes of this section, the economic unit shall be  
19 that acreage of public land which when taken together with the  
20 lands already owned or controlled or available to the company,  
21 when cultivated is found by the board to be necessary for the



1 company's optimum mill or cannery operation. In all other  
2 cases, public land to be sold under this section shall be an  
3 economic unit as provided in section 171-33(3).

4 After a determination is made to negotiate the disposition  
5 of a lease, the board shall:

- 6 (1) Give public notice as in public auction, in accordance  
7 with the procedure set forth in section 171-16(a), of  
8 its intention to lease public land through negotiation  
9 setting forth the minimum conditions thereunder, the  
10 use for which the public land will be leased. Any  
11 person interested in securing the lease shall file an  
12 application with the board not later than forty-five  
13 days after the first publication of the notice;
- 14 (2) Establish reasonable criteria for the selection of the  
15 lessee; provided that where the intended use of the  
16 land is agriculture, the department of agriculture  
17 shall establish the criteria;
- 18 (3) Determine the applicants who meet the criteria for  
19 selection set by the board or the department of  
20 agriculture, as the case may be, and notify all  
21 applicants of its determination. Any applicant may



1           examine the basis of the determination, which shall be  
2           in writing, to ascertain whether or not the conditions  
3           and criteria established by the board or the  
4           department of agriculture were followed; provided that  
5           if any applicant does not notify the board of the  
6           applicant's objections, and the grounds therefor, in  
7           writing, within twenty days of the receipt of the  
8           notice, the applicant shall be barred from proceeding  
9           to seek legal remedy for any alleged failure of the  
10          board to follow the conditions and criteria.

11          If only one applicant meets the criteria for selection of  
12          the lessee, the board may, after notice as provided in (3),  
13          above, dispose of the lease by negotiation.

14          If two or more applicants meet the criteria for the  
15          selection of the lessee, the board shall select the lessee who  
16          submits the highest offer contained in a sealed bid deposited  
17          with the board.

18          (b) Disposition of public lands for airline, aircraft,  
19          airport-related, agricultural processing, cattle feed  
20          production, aquaculture, marine, maritime, and maritime-related  
21          operations may be negotiated without regard to the limitations



1 set forth in subsection (a) and section 171-16(c); provided  
2 that:

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

7 (2) The disposition shall not exceed a maximum term of  
8 thirty-five years, except in the case of:

9 (A) Maritime and maritime-related operations, which  
10 may provide for a maximum term of seventy years;  
11 and

12 (B) Aquaculture operations, which may provide for a  
13 maximum term of sixty-five years; provided that  
14 aquaculture operations in good standing may seek  
15 to renew a lease issued under this section and,  
16 during the lease term, may engage in supportive  
17 activities that are related to or integrated with  
18 aquaculture; and

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



1 For the purposes of this subsection:

2 "Agricultural processing" means the processing of  
3 agricultural products, including dairying, grown, raised, or  
4 produced in Hawaii.

5 "Airport-related" means a purpose or activity that requires  
6 air transportation to achieve that purpose or activity; or an  
7 activity that generates revenue for the airport system as  
8 provided in section 261-7.

9 "Aquaculture" means the propagation, cultivation, or  
10 farming of aquatic plants and animals in controlled or selected  
11 environments for research, commercial, or stocking purposes,  
12 including aquaponics or any growing of plants or animals with  
13 aquaculture effluents.

14 "Maritime-related" means a purpose or activity that  
15 requires and is directly related to the loading, off-loading,  
16 storage, or distribution of goods and services of the maritime  
17 industry.

18 (c) Any provision of this chapter to the contrary  
19 notwithstanding, the board may issue pasture or industrial  
20 leases by negotiation for lands already under pasture or  
21 industrial use, respectively, when doing so will further public



1 purposes that are the responsibility of the department and the  
2 department of agriculture to promote; provided that:

3 (1) The term of any pasture or industrial lease issued  
4 under this subsection shall not be for more than  
5 sixty-five years; and

6 (2) The board may consider key characteristics of public  
7 lands most likely to benefit from the negotiation of  
8 pasture or industrial leases, identification of public  
9 purposes to be promoted through negotiation of pasture  
10 or industrial leases, a description of the types of  
11 lessee obligations regarding food production and  
12 natural resource conservation and stewardship that  
13 will serve to achieve the identified public purposes,  
14 eligibility requirements for pasture or industrial  
15 lessees, and applicant qualifications.

16 The board may set the rent for pasture or industrial leases  
17 issued under this subsection on such terms and conditions as the  
18 board may determine, including but not limited to a value that  
19 incentivizes or otherwise promotes ranching operations  
20 compatible with the public purposes that are the responsibility  
21 of the department to promote. In arriving at a rental value,



1 the board may also consider the specified use of the land; any  
2 restriction on grazing or other beneficial uses of the land or  
3 portions thereof by lessee; and any conservation or stewardship  
4 services required to be performed by the lessee under the lease.  
5 If an independent appraisal is procured to determine rent for a  
6 pasture or industrial lease, the board may apply a lower rate of  
7 return if warranted after consideration of the public purpose  
8 served by the lease, use restrictions thereunder, and any  
9 obligation of the lessee to provide conservation or stewardship  
10 services."

11 PART IV

12 SECTION 9. This Act does not affect rights and duties that  
13 matured, penalties that were incurred, and proceedings that were  
14 begun before its effective date.

15 SECTION 10. Statutory material to be repealed is bracketed  
16 and stricken. New statutory material is underscored.

17 SECTION 11. This Act shall take effect on January 1, 2050.



**Report Title:**

Department of Agriculture; Department of Land and Natural Resources; Non-agricultural Park Lands; Pasture Leases; Industrial Leases

**Description:**

Requires the Department of Land Natural Resources (DLNR) and Department of Agriculture (DOA) to meet and identify the non-agricultural park lands that should be rezoned as those in the conservation district. Requires that agricultural lands under the jurisdiction of DLNR be transferred to DOA no later than 12/31/2023. Requires DLNR and DOA to meet every five years to discuss transferring remaining lands. Requires DLNR to report to the Legislature. Requires DOA to inquire about any easements needed by DLNR before offering a lease. Authorizes the Board of Land and Natural Resources to amend and extend existing pasture or industrial leases and to issue new pasture or industrial leases by negotiation in furtherance of public purposes that DLNR and DOA are responsible for promoting. Takes effect 1/1/2050. (SD1)

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

