
A BILL FOR AN ACT

RELATING TO AGRICULTURAL PARK LEASES.

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

1 SECTION 1. Section 166-11, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "~~§~~**§166-11** **Lease negotiation.** (a) The department of
4 agriculture may negotiate and enter into leases with any person
5 who:

6 (1) As of July 1, 1996, holds a revocable permit for
7 agricultural purposes; or

8 (2) Has formerly held an agricultural lease which expired
9 within the last ten years preceding July 1, 1996, and
10 has continued to occupy the state land; and

11 (3) Does not own agriculturally-zoned land of twenty-five
12 acres or more in the State, individually or jointly
13 with a spouse, or whose spouse does not own twenty-
14 five acres or more of agriculturally-zoned land in the
15 State.

16 (b) The land eligible for lease negotiations under this
17 section are limited to those lands:



- 1 (1) Zoned and used for agricultural purposes;
- 2 (2) Set aside by governor's executive order to the
- 3 department of agriculture for agricultural uses only;
- 4 and
- 5 (3) Not needed by any state or county agency for any other
- 6 public purpose.
- 7 (c) In negotiating and executing a lease as authorized,
- 8 the board of agriculture shall:
- 9 (1) Require the appraisal of the parcel to determine the
- 10 fair market value;
- 11 (2) Require the payment of annual lease rent based on the
- 12 fair market value established by appraisal;
- 13 (3) Require the payment of a premium, computed at twenty-
- 14 five per cent of the annual lease rent, with the
- 15 premium to be added to the annual lease rent for each
- 16 year of the lease equal to the number of years the
- 17 lessee has occupied the land, except that the premium
- 18 period shall not exceed four years; and
- 19 (4) Recover from the lessee the costs of expenditures
- 20 required by the department to convert the parcel into
- 21 leasehold.



1 Within six months from July 1, 1996, the department shall
2 notify in writing the permittees of lands eligible for lease
3 negotiations under this section and shall inform the permittees
4 of the terms, conditions, and restrictions provided by this
5 section. Any permittee may apply for a lease; provided that the
6 application shall be submitted to the department in writing
7 within thirty days from the date of receipt of notification;
8 provided further that the department may require documentary
9 proof from any applicant to determine that the applicant meets
10 eligibility and qualification requirements for a lease as
11 specified by this section.

12 (d) Notwithstanding any other law to the contrary, if any
13 lessee holds a lease having a remaining term of fifteen years or
14 less, the department may extend the term of the lease for an
15 additional thirty years; provided that the land covered by the
16 lease is:

- 17 (1) Twenty-five acres or less; and
18 (2) Located in a county with a population of less than
19 five hundred thousand."

20 SECTION 2. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 3. This Act shall take effect upon its approval.



Report Title:

HDOA; Agricultural Park Leases; Extension

Description:

Allows the Department of Agriculture to extend the agricultural park lease of any lessee who holds a lease with a remaining term of 15 years or less; provided that the land covered by the lease is 25 acres or less and located in a county with a population of less than 500,000. (SD1)

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