
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~~ that
9 expired within the last ten years preceding July 1,
10 1996, and 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
14 twenty-five acres or more of agriculturally-zoned land
15 in the 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
14 twenty-five per cent of the annual lease rent, with
15 the premium to be added to the annual lease rent for
16 each year of the lease equal to the number of years
17 the lessee has occupied the land, except that the
18 premium 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 (d) Within six months from July 1, 1996, the department
2 shall notify in writing the permittees of lands eligible for
3 lease negotiations under this section and shall inform the
4 permittees of the terms, conditions, and restrictions provided
5 by this section. Any permittee may apply for a lease; provided
6 that the application shall be submitted to the department in
7 writing within thirty days from the date of receipt of
8 notification; provided further that the department may require
9 documentary proof from any applicant to determine that the
10 applicant meets eligibility and qualification requirements for a
11 lease as specified by this section.

12 (e) 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 having 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 fifteen years or less, if the land covered by the lease is twenty-five acres or less and located in a county with a population of less than five hundred thousand. (CD1)

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