S.B. NO. 761

JAN 17 2025

### A BILL FOR AN ACT

RELATING TO THE NORTH KOHALA KYNNERSLY EAST SITE LAND PARCEL.

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

1 SECTION 1. The legislature finds that a robust 2 agricultural sector is integral to the State's long-term economic stability, food security, and environmental stability. 3 A strong agricultural sector is essential for reducing the 4 State's reliance on imported goods, preserving its cultural 5 6 heritage, and providing local employment opportunities. The 7 north Kohala district of Hawaii island, with its unique climate, 8 fertile soils, and abundant natural resources presents an invaluable opportunity for strategic investment in the State's 9 10 agricultural sector. While the agricultural legacy of north 11 Kohala continues to thrive with a greater emphasis on 12 sustainable farming practices, important parcels of land for agricultural production and processing in the region have 13 remained defunct for extended periods as the agricultural sector 14 15 has contracted due to shifts in markets and key funding 16 mechanisms.

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1 The legislature further finds that farmers local to the 2 region and agricultural organizations are committed to 3 preserving north Kohala's unique heritage, while embracing 4 innovative practices to ensure the long-term viability of 5 farming in the area. Efforts to improve water conservation, 6 restore native ecosystems, and protect the region's agricultural 7 land are central to the community's ongoing resilience. 8 Investment in this region can enhance the State's agricultural 9 production capacity; support small, family-run and -owned farms; 10 and contribute to the revitalization of a rural and historically 11 underserved area. Investment in agricultural land in north 12 Kohala offers significant potential for the development of 13 sustainable agricultural practices, creation of job 14 opportunities, and increased food self-sufficiency. Such 15 investments in this region, and regions that are similar in 16 composition and rural location, align with the State's broader 17 goals of promoting environmental stewardship and ensuring the 18 long-term viability of its agricultural sector.

19 The legislature also finds that the agricultural
20 development corporation is uniquely positioned to oversee the
21 purchase, management, and responsible development of

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agricultural lands in this region. The agricultural development
 corporation's expertise will ensure that these strategic
 investments are maximized for the benefit of the State's
 agricultural sector and rural communities, and will foster
 resilience and sustainability for generations to come.

Accordingly, the purpose of this Act is to authorize the
7 issuance of general obligation bonds to the agricultural
8 development corporation to complete the purchase of the fee
9 simple interest in the north Kohala Kynnersly east site land
10 parcel which comprises the following tax map keys: (3) 5-3-4:19,
11 (3) 5-4-11:18, and (3) 5-4-11:48.

SECTION 2. The director of finance is authorized to issue general obligation bonds in the sum of \$2,600,000 or so much thereof as may be necessary and the same sum or so much thereof as may be necessary is appropriated for fiscal year 2025-2026 for the purpose of financing the purchase of parcels of land for agricultural development identified as the following tax map keys: (3) 5-3-4:19, (3) 5-4-11:18, and (3) 5-4-11:48.

SECTION 3. The sum appropriated in section 2 of this Act
shall be expended by the agricultural development corporation
for the purposes of this Act.

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SECTION 4. The appropriation made for the capital
 improvement project authorized by this Act shall not lapse at
 the end of the fiscal biennium for which the appropriation is
 made; provided that all moneys from the appropriation
 unencumbered as of June 30, 2028, shall lapse as of that date.
 SECTION 5. This Act shall take effect on July 1, 2025.
 INTRODUCED BY: Way Marguer Margue

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#### Report Title:

ADC; North Kohala; GO Bonds; Agriculture; Agricultural Development; Appropriations

#### Description:

Authorizes the issuance of general obligation bonds to the Agricultural Development Corporation for the purchase of the North Kohala Kynnersly East Site Land Parcel for agricultural development.

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