

JAN 23 2026

A BILL FOR AN ACT

RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION.

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

1 SECTION 1. Section 163D-4, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) Except as otherwise limited by this chapter, the
4 corporation may:

5 (1) Sue and be sued;

6 (2) Have a seal and alter the same at its pleasure;

7 (3) Make and alter bylaws for its organization and
8 internal management;

9 (4) Adopt rules under chapter 91 necessary to effectuate
10 this chapter in connection with its projects,
11 operations, and properties;

12 (5) Make and execute contracts and all other instruments
13 necessary or convenient for the exercise of its powers
14 and functions under this chapter;

15 (6) (A) Acquire ~~or~~ by grant or purchase, contract to
16 acquire by grant or purchase, lease as a lessee,
17 license as a licensee, or rent as a tenant any



1 real, personal, or mixed property or any interest
2 therein for its immediate or future use for the
3 purposes of this chapter; [~~own,~~]

4 (B) Own, hold, improve, and rehabilitate any real,
5 personal, or mixed property acquired[~~;~~]; and
6 [~~sell, assign,~~]

7 (C) Assign, exchange, transfer, convey, [~~lease,~~] let,
8 license as a licensor, rent as a landlord, or
9 otherwise dispose of, or encumber [~~the same,~~] any
10 real property acquired; provided that payments to
11 the corporation under a lease, license, or rental
12 agreement shall be at amounts not less than the
13 market rate; provided further that if the
14 products of the lessee, licensee, or tenant are
15 fresh local agricultural products under section
16 302A-405.6 and purchased by the department of
17 education or if the lessee, licensee, or tenant
18 is a partner member of the food and product
19 innovation network under section 163D-20, the
20 payments to the corporation may be less than the



1 market rate. The market rate shall be determined

2 by:

3 (i) An employee of the board qualified to
4 appraise the real, personal, or mixed
5 property; or

6 (ii) An appraisal requested by the prospective
7 lessee, licensee, or tenant; provided that
8 the appraisal shall be conducted by one or
9 more disinterested qualified appraisers
10 whose services shall be contracted for by
11 the board. The cost of the appraisal and
12 any further appraisals, if necessary, shall
13 be borne by the prospective lessee,
14 licensee, or tenant;

15 (7) By itself, or in partnership with qualified persons,
16 acquire, construct, reconstruct, rehabilitate,
17 improve, alter, or repair any infrastructure or
18 accessory facilities in connection with any project;
19 own, hold, sell, assign, transfer, convey, exchange,
20 lease, or otherwise dispose of, or encumber any
21 project;



1 (8) In cooperation with the department of agriculture and
2 biosecurity, pursuant to chapter 167, or otherwise
3 through direct investment or coventure with a
4 professional investor or enterprise or any other
5 person, or otherwise, to acquire, construct, operate,
6 and maintain water facilities for conveying,
7 distributing, and transmitting water for irrigation
8 and agricultural uses at rates or charges determined
9 by the corporation; provided that:

10 (A) This chapter shall not be construed to permit or
11 allow the department of agriculture and
12 biosecurity or any agribusiness development
13 corporation to:

14 (i) Amend or modify rights or entitlements to
15 water as provided for by article XI,
16 section 7, of the Constitution of the State
17 of Hawaii, or the Hawaiian Homes Commission
18 Act, 1920, as amended, and chapter 168;

19 (ii) Diminish or abridge the traditional and
20 customary rights of ahupua`a tenants who



1 inhabited the Hawaiian Islands prior to 1778
 2 under sections 1-1 and 7-1; and
 3 (iii) Impair, abridge, or terminate the legal
 4 rights or interests to water and its uses,
 5 whether by lease, easement, or other means,
 6 ~~[which]~~ that are possessed or held by
 7 organizations whose primary purpose is to
 8 benefit people of Hawaiian ancestry; and
 9 (B) All usage of water shall be in accordance with
 10 chapter 174C and other applicable laws in the
 11 State;
 12 (9) Receive, examine, and determine the acceptability of
 13 applications of qualified persons for allowances or
 14 grants for the development of new crops and
 15 agricultural products, the expansion of established
 16 agricultural enterprises, and the altering of existing
 17 agricultural enterprises;
 18 (10) Coordinate its activities with any federal or state
 19 farm credit programs;
 20 (11) Grant options to purchase any project or to renew any
 21 lease entered into by it in connection with any of its



1 projects, on the terms and conditions it deems

2 advisable;

3 (12) Provide advisory, consultative, training, and
4 educational services, technical assistance, and advice
5 to any person, partnership, or corporation, either
6 public or private, in order to carry out the purposes
7 of this chapter, and engage the services of
8 consultants on a contractual basis for rendering
9 professional and technical assistance and advice;

10 (13) Procure insurance against any loss in connection with
11 its property and other assets and operations in [~~such~~]
12 amounts and from [~~such~~] insurers as it deems
13 desirable;

14 (14) Accept gifts or grants in any form from any public
15 agency or any other source; and

16 (15) Do all things necessary or proper to carry out the
17 purposes of this chapter."

18 SECTION 2. This Act does not affect rights and duties that
19 matured, penalties that were incurred, and proceedings that were
20 begun before its effective date.

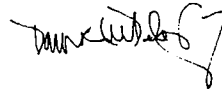


1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: _____





S.B. NO. 2595

Report Title:

DBEDT; Agribusiness Development Corporation; Lease; License;
Rental; DOE; Market Rate

Description:

Requires the Agribusiness Development Corporation of the Department of Business, Economic Development, and Tourism to lease, license, or rent its properties at market rates or higher. Exempts lessees, licensees, and tenants who grow, raise, and harvest fresh local agricultural products for the Department of Education. Exempts partner members of the Food and Product Innovation Network.

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