
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. The legislature finds that the State's
2 long-term food security and agricultural resilience depend upon
3 the availability of land and water resources that can support
4 diversified, sustainable agricultural production. When the
5 agribusiness development corporation (corporation) was
6 established in 1994 by Act 264, Session Laws of Hawaii 1994, and
7 codified as chapter 163D, Hawaii Revised Statutes, the
8 legislature envisioned that the State's transition from
9 plantation agriculture would release approximately seventy-five
10 thousand acres of agricultural lands and fifty million gallons
11 of irrigation water per day for reuse by diversified
12 agriculture.

13 However, three decades later, the full potential of these
14 resources has not been realized. The consolidation of
15 agricultural parcels, rehabilitation of irrigation systems, and
16 establishment of modern agricultural infrastructure remain
17 incomplete due to complex land ownership patterns, dormant



1 assets, and inadequate coordination among state agencies. The
2 lack of a clear mechanism for the State to assemble
3 strategically located agricultural lands and critical
4 infrastructure has impeded Hawaii's ability to achieve food
5 self-sufficiency and reduce dependence on imported foods.

6 The legislature further finds that the corporation was
7 created to facilitate the conversion of former plantation lands
8 and water systems to diversified agricultural use, coordinate
9 the development of agricultural infrastructure, and assist local
10 producers in overcoming structural barriers to agricultural
11 growth. Yet, despite its broad authority to acquire and manage
12 lands, the corporation presently lacks explicit statutory
13 authority to acquire lands or easements by condemnation for
14 public agricultural purposes, even in situations where voluntary
15 acquisition is impracticable or contrary to the public interest.

16 The legislature recognizes that the power of eminent domain
17 is an extraordinary authority that must be exercised only for a
18 demonstrable public use, subject to the constitutional
19 guarantees of just compensation and due process, and with full
20 regard for the State's obligations under article XI, section 7,
21 of the Hawaii State Constitution to protect, control, and



1 regulate the use of the State's water resources for the benefit
2 of its people. The legislature further acknowledges that lands
3 and water systems are integral to Native Hawaiian customary and
4 traditional rights, and to the rights of beneficiaries under the
5 Hawaiian Homes Commission Act of 1920, as amended.

6 The legislative intent of the authority established by this
7 Act is not to promote private commercial gain, nor to displace
8 existing public uses of land without compelling justification
9 and legislative review. Rather, the legislature seeks to
10 restore coherence and capacity to the State's agricultural
11 infrastructure policy, enabling the public sector to acquire and
12 manage essential agricultural resources for the long-term
13 benefit of the State's people, environment, and economy.

14 Accordingly, the purpose of this Act is to authorize the
15 agribusiness development corporation to acquire real property or
16 any interest therein, except for real property owned by a county
17 with a population of more than 125,000 but less than 195,000 and
18 certain public lands, by condemnation pursuant to chapter 101,
19 Hawaii Revised Statutes, under certain circumstances.

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



- 1 "(a) Except as otherwise limited by this chapter, the
2 corporation may:
- 3 (1) Sue and be sued;
 - 4 (2) Have a seal and alter the same at its pleasure;
 - 5 (3) Make and alter bylaws for its organization and
6 internal management;
 - 7 (4) Adopt rules under chapter 91 necessary to effectuate
8 this chapter in connection with its projects,
9 operations, and properties;
 - 10 (5) Make and execute contracts and all other instruments
11 necessary or convenient for the exercise of its powers
12 and functions under this chapter;
 - 13 (6) Acquire or contract to acquire by grant or purchase
14 any real, personal, or mixed property or any interest
15 therein for its immediate or future use for the
16 purposes of this chapter; own, hold, improve, and
17 rehabilitate any real, personal, or mixed property
18 acquired, and sell, assign, exchange, transfer,
19 convey, lease, or otherwise dispose of, or encumber
20 the same;



- 1 (7) Acquire by condemnation pursuant to chapter 101 any
2 real property, including fixtures and improvements, or
3 any interest in real property, except real property
4 owned by a county with a population of more than
5 125,000 but less than 195,000 and public lands as
6 defined in section 171-2, for the purposes of this
7 chapter; provided that:
- 8 (A) The corporation makes a determination that the
9 property is necessary for the corporation's
10 immediate or future use for agricultural
11 irrigation systems or agricultural purposes; and
- 12 (B) Private property sought to be acquired under
13 threat of the exercise of the power of eminent
14 domain shall only be acquired through negotiated
15 purchase;
- 16 [~~7~~] (8) By itself, or in partnership with qualified
17 persons, acquire, construct, reconstruct,
18 rehabilitate, improve, alter, or repair any
19 infrastructure or accessory facilities in connection
20 with any project; own, hold, sell, assign, transfer,



1 convey, exchange, lease, or otherwise dispose of, or
2 encumber any project;

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

12 (A) This chapter shall not be construed to permit or
13 allow the department of agriculture and
14 biosecurity or [~~any~~] agribusiness development
15 corporation to:

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



1 (ii) Diminish or abridge the traditional and
2 customary rights of ahupua'a tenants who
3 inhabited the Hawaiian Islands [~~prior to~~
4 before 1778 under sections 1-1 and 7-1; and

5 (iii) Impair, abridge, or terminate the legal
6 rights or interests to water and its uses,
7 whether by lease, easement, or other means,
8 [~~which~~] that are possessed or held by
9 organizations whose primary purpose is to
10 benefit people of Hawaiian ancestry; and

11 (B) All usage of water shall be in accordance with
12 chapter 174C and other applicable laws in the
13 State;

14 [~~(9)~~] (10) Receive, examine, and determine the
15 acceptability of applications of qualified persons for
16 allowances or grants for the development of new crops
17 and agricultural products, the expansion of
18 established agricultural enterprises, and the altering
19 of existing agricultural enterprises;

20 [~~(10)~~] (11) Coordinate its activities with any federal or
21 state farm credit programs;



1 [~~(11)~~] (12) Grant options to purchase any project or to
2 renew any lease entered into by it in connection with
3 any of its projects, on the terms and conditions it
4 deems advisable;

5 [~~(12)~~] (13) Provide advisory, consultative, training, and
6 educational services, technical assistance, and advice
7 to any person, partnership, or corporation, either
8 public or private, in order to carry out the purposes
9 of this chapter, and engage the services of
10 consultants on a contractual basis for rendering
11 professional and technical assistance and advice;

12 [~~(13)~~] (14) Procure insurance against any loss in connection
13 with its property and other assets and operations in
14 [~~such~~] amounts and from [~~such~~] insurers as it deems
15 desirable;

16 [~~(14)~~] (15) Accept gifts or grants in any form from any
17 public agency or any other source; and

18 [~~(15)~~] (16) Do all things necessary or proper to carry out
19 the purposes of this chapter."

20 SECTION 3. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 4. This Act shall take effect on July 1, 2026.



Report Title:

ADC; Real Property; Condemnation; Eminent Domain; Agricultural Irrigation or Agricultural Purposes; Exceptions

Description:

Authorizes the Agribusiness Development Corporation to acquire by condemnation any real property or interest in real property, except real property owned by a county with a population of more than 125,000 but less than 195,000 and public lands, under certain conditions. (CD1)

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