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# 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 in 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 in 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 in a county with a population of more than 125,000 but less than 195,000 and public lands, under certain conditions. (CD2)

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