
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. Chapter 163D, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:
4 "§163D- Payments under a lease, license, or rental
5 agreement; rates. (a) Any payment to the corporation under a
6 lease, license, or rental agreement of real property acquired by
7 the corporation under its authority under section 163D-4(a)(6)
8 shall be in an amount no less than the appraised market value
9 rate; provided that if the products of the lessee, licensee, or
10 tenant are fresh local agricultural products, as defined in
11 section 302A-405.6, that are purchased by the department of
12 education or if the lessee, licensee, or tenant is a partner
13 member of the food and product innovation network, as described
14 in section 163D-20(b), the payment to the corporation under a
15 lease, license, or rental agreement may be in an amount less
16 than the appraised market value rate.



1 (b) For purposes of this section, the appraised market
2 value rate shall be determined by:

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

5 (2) An appraisal requested by the prospective lessee,
6 licensee, or tenant that is conducted using the
7 Uniform Standards of Professional Appraisal Practice."

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

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

12 (1) Sue and be sued;

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

14 (3) Make and alter bylaws for its organization and
15 internal management;

16 (4) Adopt rules under chapter 91 necessary to effectuate
17 this chapter in connection with its projects,
18 operations, and properties;

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



- 1 (6) (A) Acquire [~~or~~] by grant or purchase, contract to
2 acquire by grant or purchase, lease as a lessee,
3 license as a licensee, or rent as a tenant any
4 real, personal, or mixed property or any interest
5 therein for its immediate or future use for the
6 purposes of this chapter; [~~own~~]
- 7 (B) Own, hold, improve, and rehabilitate any real,
8 personal, or mixed property acquired[~~;~~]; and
9 [~~sell~~]
- 10 (C) Sell, assign, exchange, transfer, convey,
11 [~~lease~~] let, license as a licensor, rent as a
12 landlord, or otherwise dispose of, or encumber
13 [~~the same~~] any real property acquired;
- 14 (7) By itself, or in partnership with qualified persons,
15 acquire, construct, reconstruct, rehabilitate,
16 improve, alter, or repair any infrastructure or
17 accessory facilities in connection with any project;
18 own, hold, sell, assign, transfer, convey, exchange,
19 lease, or otherwise dispose of, or encumber any
20 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~~]
2 before 1778 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 3. 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 4. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 5. This Act shall take effect on July 1, 3000.



Report Title:

ADC; Lease; License; Rental; DOE; Appraised Market Value Rate;
Food and Product Innovation Network

Description:

Requires payments to the Agribusiness Development Corporation for letting, licensing, or renting of its properties to be at appraised market value rates or higher, except where the lessees, licensees, and tenants grow, raise, and harvest fresh local agricultural products for the Department of Education or are partner members of the Food and Product Innovation Network. Effective 7/1/3000. (HD1)

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