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



1                   less than the market rate. The market rate shall  
2                   be determined 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; provided further that the cost of  
12                   the appraisal and any further appraisals, if  
13                   necessary, shall be borne by the prospective  
14                   lessee, 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~~]  
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 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 on July 1, 2050.



S.B. NO. 2595  
S.D. 1

**Report Title:**

ADC; Lease; License; Rental; DOE; Market Rate

**Description:**

Requires payments to the Agribusiness Development Corporation for letting, licensing, or renting of its properties to be at market rates or higher. Exempts lessees, licensees, and tenants who 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 7/1/2050. (SD1)

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