A BILL FOR AN ACT

RELATING TO AGRICULTURAL WATER SYSTEMS.

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

SECTION 1. Chapter 163D, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§163D- Agricultural water systems; acquisition. (a) The corporation may acquire or contract to acquire by grant, purchase, or gift the real, personal, or mixed property comprising an agricultural water system to provide water for irrigation of agricultural lands. (b) The owner of an agricultural water system to be acquired pursuant to subsection (a) shall provide a description of the system sufficient to identify the property being acquired, including a map of the land and description of the metes and bounds and other information required for recording under chapter 502. Conveyance of agricultural water system property to the corporation shall be exempt from county subdivision requirements; provided that no additional lots of record are created."
SECTION 2. Section 163D-4, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

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

(1) Sue and be sued;
(2) Have a seal and alter the same at its pleasure;
(3) Make and alter bylaws for its organization and internal management;
(4) Adopt rules under chapter 91 necessary to effectuate this chapter in connection with its projects, operations, and properties;
(5) Make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this chapter;
(6) Carry out surveys, research, and investigations into technological, business, financial, consumer trends, and other aspects of agricultural production in the national and international community;
(7) Acquire or contract to acquire by grant, purchase, or gift any real, personal, or mixed property or any interest therein for its immediate or future use for the purposes of this chapter; own,
hold, improve, and rehabilitate any real, personal, or
mixed property acquired, and sell, assign, exchange,
transfer, convey, lease, or otherwise dispose of, or
encumber the same;

(8) By itself, or in partnership with qualified persons,
acquire, construct, reconstruct, rehabilitate,
 Newtown, alter, or repair any infrastructure or
accessory facilities in connection with any project;
own, hold, sell, assign, transfer, convey, exchange,
 lease, or otherwise dispose of, or encumber any
project;

(9) In cooperation with the department of agriculture,
pursuant to chapter 167, or otherwise through direct
investment or coventure with a professional investor
or enterprise or any other person, or otherwise, to
acquire, construct, operate, and maintain water
facilities for conveying, distributing, and
transmitting water for irrigation and agricultural
uses at rates or charges determined by the
corporation; provided that:
(A) This chapter shall not be construed to permit or allow the department of agriculture or any agribusiness development corporation to:

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

(ii) Diminish or abridge the traditional and customary rights of ahupua'a tenants who inhabited the Hawaiian islands prior to 1778 under sections 1-1 and 7-1; and

(iii) Impair, abridge, or terminate the legal rights or interests to water and its uses, whether by lease, easement, or other means, [which] that are possessed or held by organizations whose primary purpose is to benefit people of Hawaiian ancestry; [and] and
(B) All usage of water shall be in accordance with chapter [+]174C[+] and other applicable laws in the [State] state;

(10) Assist agricultural enterprises by conducting detailed marketing analysis and developing marketing and promotional strategies to strengthen the position of those enterprises and to better exploit local, national, and international markets;

(11) Carry out specialized programs designed to develop new markets for Hawaii agricultural products;

(12) Receive, examine, and determine the acceptability of applications of qualified persons for allowances or grants for the development of new crops and agricultural products, the expansion of established agricultural enterprises, and the altering of existing agricultural enterprises;

(13) Coordinate its activities with any federal or state farm credit programs;

(14) Grant options to purchase any project or to renew any lease entered into by it in connection with any of its projects, on the terms and conditions it deems advisable;
(15) Provide advisory, consultative, training, and educational services, technical assistance, and advice to any person, partnership, or corporation, either public or private, [in order] to carry out the purposes of this chapter, and engage the services of consultants on a contractual basis for rendering professional and technical assistance and advice;

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

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

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

SECTION 3. Section 484-3, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Unless the method of disposition is adopted for the purpose of evasion of this chapter, or unless the subdivider files in writing with the director that this chapter shall apply to the subdivider's subdivision, this chapter shall not apply to offers or dispositions of an interest in land:
(1) By a purchaser of subdivided lands for the purchaser's own account in a single or isolated transaction;
(2) If fewer than twenty separate lots, parcels, units, or interests in subdivided lands are offered by a person in a period of twelve months;
(3) Where the division of lands is a leasehold agricultural lot within state agricultural districts on which no dwelling structures are constructed as provided in section 205-4.5(f);
(4) Where real, personal, or mixed property comprising an agricultural water system providing water for irrigation of agricultural lands is to be conveyed to the agribusiness development corporation;
(5) On which there is a residential, commercial, or industrial building, or as to which there is a legal obligation on the part of the seller to construct a building on the land within two years from the date of disposition; provided that the obligation to construct shall not be, directly or indirectly, transferred to or otherwise imposed upon the purchaser;
(6) To persons who are engaged in, and are duly licensed to engage in, the business of construction of
buildings for resale, or to persons who acquire an interest in subdivided lands for the purpose of engaging, and do engage in, and are duly licensed to engage in, the business of construction of buildings for resale;

Pursuant to court order;

By any government or government agency;

As cemetery lots or interests;

Registered as a condominium property regime pursuant to chapter 514A or 514B; or

Registered as a time share plan pursuant to chapter 514E."

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.
Report Title:  
Agricultural Water Systems; ADC

Description:  
Authorizes the Agribusiness Development Corporation to acquire agricultural water systems to provide water for irrigation of agricultural lands. Exempts agricultural water systems from the subdivision requirements of county ordinances, provided that no additional lots are created. Provides conveyance requirements for the property owner. (HB975 CD1)