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# A BILL FOR AN ACT

RELATING TO AGRICULTURAL WATER SYSTEMS.

**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-    Agricultural water systems; acquisition.   (a)

5 The corporation may acquire or contract to acquire by grant,  
6 purchase, or gift the real, personal, or mixed property  
7 comprising an agricultural water system to provide water for  
8 irrigation of agricultural lands.

9           (b) The owner of an agricultural water system to be  
10 acquired pursuant to subsection (a) shall provide a description  
11 of the system sufficient to identify the property being  
12 acquired, including a map of the land and description of the  
13 metes and bounds and other information required for recording  
14 under chapter 502. Conveyance of agricultural water system  
15 property to the corporation shall be exempt from county  
16 subdivision requirements."

17           SECTION 2. Section 163D-4, Hawaii Revised Statutes, is  
18 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) Carry out surveys, research, and investigations into  
14 technological, business, financial, consumer trends,  
15 and other aspects of agricultural production in the  
16 national and international community;

17          (7) Acquire or contract to acquire by grant, ~~[or]~~  
18 purchase, or gift any real, personal, or mixed  
19 property or any interest therein for its immediate or  
20 future use for the purposes of this chapter; own,  
21 hold, improve, and rehabilitate any real, personal, or  
22 mixed property acquired, and sell, assign, exchange,



1 transfer, convey, lease, or otherwise dispose of, or  
2 encumber the same;

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

10 (9) In cooperation with the department of agriculture,  
11 pursuant to chapter 167, or otherwise through direct  
12 investment or coventure with a professional investor  
13 or enterprise or any other person, or otherwise, to  
14 acquire, construct, operate, and maintain water  
15 facilities for conveying, distributing, and  
16 transmitting water for irrigation and agricultural  
17 uses at rates or charges determined by the  
18 corporation; provided that:

19 (A) This chapter shall not be construed to permit or  
20 allow the department of agriculture or any  
21 agribusiness development corporation to:



- 1 (i) Amend or modify rights or entitlements to  
2 water as provided for by article XI, section  
3 7, of the Hawaii Constitution [~~of the State~~  
4 ~~of Hawaii~~], or the Hawaiian Homes Commission  
5 Act, 1920, as amended, and chapter 168;
- 6 (ii) Diminish or abridge the traditional and  
7 customary rights of ahupua`a tenants who  
8 inhabited the Hawaiian [~~Islands~~] islands  
9 prior to 1778 under sections 1-1 and 7-1;  
10 and
- 11 (iii) Impair, abridge, or terminate the legal  
12 rights or interests to water and its uses,  
13 whether by lease, easement, or other means,  
14 [~~which~~] that are possessed or held by  
15 organizations whose primary purpose is to  
16 benefit people of Hawaiian ancestry; [~~and~~]  
17 and
- 18 (B) All usage of water shall be in accordance with  
19 chapter [~~+~~]174C[~~+~~] and other applicable laws in  
20 the [~~State,~~] state;
- 21 (10) Assist agricultural enterprises by conducting detailed  
22 marketing analysis and developing marketing and



- 1 promotional strategies to strengthen the position of  
2 those enterprises and to better exploit local,  
3 national, and international markets;
- 4 (11) Carry out specialized programs designed to develop new  
5 markets for Hawaii agricultural products;
- 6 (12) Receive, examine, and determine the acceptability of  
7 applications of qualified persons for allowances or  
8 grants for the development of new crops and  
9 agricultural products, the expansion of established  
10 agricultural enterprises, and the altering of existing  
11 agricultural enterprises;
- 12 (13) Coordinate its activities with any federal or state  
13 farm credit programs;
- 14 (14) Grant options to purchase any project or to renew any  
15 lease entered into by it in connection with any of its  
16 projects, on the terms and conditions it deems  
17 advisable;
- 18 (15) Provide advisory, consultative, training, and  
19 educational services, technical assistance, and advice  
20 to any person, partnership, or corporation, either  
21 public or private, [~~in order~~] to carry out the  
22 purposes of this chapter, and engage the services of



- 1 consultants on a contractual basis for rendering  
2 professional and technical assistance and advice;
- 3 (16) Procure insurance against any loss in connection with  
4 its property and other assets and operations in [such]  
5 amounts and from [such] insurers as it deems  
6 desirable;
- 7 (17) Accept gifts or grants in any form from any public  
8 agency or any other source; and
- 9 (18) Do all things necessary or proper to carry out the  
10 purposes of this chapter."

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

13 "(a) Unless the method of disposition is adopted for the  
14 purpose of evasion of this chapter, or unless the subdivider  
15 files in writing with the director that this chapter shall apply  
16 to the subdivider's subdivision, this chapter shall not apply to  
17 offers or dispositions of an interest in land:

- 18 (1) By a purchaser of subdivided lands for the purchaser's  
19 own account in a single or isolated transaction;
- 20 (2) If fewer than twenty separate lots, parcels, units, or  
21 interests in subdivided lands are offered by a person  
22 in a period of twelve months;



1           (3) Where the division of lands is a leasehold  
2           agricultural lot within state agricultural districts  
3           on which no dwelling structures are constructed as  
4           provided in section 205-4.5(f);

5           (4) Where real, personal, or mixed property comprising an  
6           agricultural water system providing water for  
7           irrigation of agricultural lands is to be conveyed to  
8           the agribusiness development corporation;

9           ~~(4)~~ (5) On which there is a residential, commercial, or  
10          industrial building, or as to which there is a legal  
11          obligation on the part of the seller to construct a  
12          building on the land within two years from the date of  
13          disposition; provided that the obligation to construct  
14          shall not be, directly or indirectly, transferred to  
15          or otherwise imposed upon the purchaser;

16          ~~(5)~~ (6) To persons who are engaged in, and are duly  
17          licensed to engage in, the business of construction of  
18          buildings for resale, or to persons who acquire an  
19          interest in subdivided lands for the purpose of  
20          engaging, and do engage in, and are duly licensed to  
21          engage in, the business of construction of buildings  
22          for resale;



- 1        [~~(6)~~] (7) Pursuant to court order;
- 2        [~~(7)~~] (8) By any government or government agency;
- 3        [~~(8)~~] (9) As cemetery lots or interests;
- 4        [~~(9)~~] (10) Registered as a condominium property regime
- 5                    pursuant to chapter 514A or 514B; or
- 6        [~~(10)~~] (11) Registered as a time share plan pursuant to
- 7                    chapter 514E."

8            SECTION 4. Statutory material to be repealed is bracketed

9 and stricken. New statutory material is underscored.

10           SECTION 5. This Act shall take effect on July 1, 2020.





**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. Provides that, if a description of the system sufficient to identify the property being acquired, including a map, description of metes and bounds, and other information required by the conveyance law is provided by the owner, the system may be conveyed without subdivision. Effective 07/01/2020. (HB975 HD1)

