

JAN 26 2011

A BILL FOR AN ACT

RELATING TO AQUACULTURE.

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

1 SECTION 1. The legislature finds that direct leasing of
2 public lands has been a cornerstone for building a successful
3 commercial aquaculture industry in the State. Currently,
4 aquaculture leases have a statutory limit of thirty-five years,
5 with no option for renewal, whereas state non-agricultural park
6 leases have a maximum term of sixty-five years for experienced
7 farmers and include the option for renewal. Project financing
8 and private-sector investment require sufficient lease terms for
9 ventures to reach economic viability. Federally guaranteed
10 loans for aquaculture enterprises are available for loan terms
11 up to forty years, but some require applicants to have a lease
12 with at least five years remaining past the term of the loan,
13 thus a minimum of forty-five years. Other federally guaranteed
14 loans require a lease at least fifty per cent longer than the
15 term of the loan which, in the case of a forty year loan, means
16 a minimum of sixty years.



1 The purpose of this Act is to encourage commercial
2 aquaculture production in the State by providing favorable terms
3 for the leasing of public lands.

4 SECTION 2. Section 171-59, Hawaii Revised Statutes, is
5 amended by amending subsection (b) to read as follows:

6 "(b) Disposition of public lands for airline, aircraft,
7 airport-related, agricultural processing, cattle feed
8 production, aquaculture, marine, maritime, and maritime-related
9 operations may be negotiated without regard to the limitations
10 set forth in subsection (a) and section 171-16(c); provided
11 that:

12 (1) The disposition encourages competition within the
13 aeronautical, airport-related, agricultural,
14 aquaculture, maritime, and maritime-related
15 operations;

16 (2) The disposition shall not exceed a maximum term of
17 thirty-five years, except in the case of [maritime]:

18 (A) Maritime and maritime-related operations, which
19 may provide for a maximum term of seventy years;
20 and

21 (B) Aquaculture operations, which may provide for a
22 maximum term of sixty-five years; provided that



1 aquaculture operations in good standing may be
2 given the right of first refusal and may seek to
3 renew a lease issued under this section and may,
4 during the lease term, engage in supportive
5 activities that are related to or integrated with
6 aquaculture; and

7 (3) The method of disposition of public lands for cattle
8 feed production as set forth in this subsection shall
9 not apply after December 31, 1988.

10 For the purposes of this subsection:

11 "Agricultural processing" means the processing of
12 agricultural products, including dairying, grown, raised, or
13 produced in Hawaii.

14 "Airport-related" means a purpose or activity that requires
15 air transportation to achieve that purpose or activity.

16 "Aquaculture" means the propagation, cultivation, or
17 farming of aquatic plants and animals in controlled or selected
18 environments for research, commercial, or stocking purposes, and
19 includes aquaponics and subordinate uses such as growing plants
20 with aquaculture effluents, including taro and forage, and the
21 raising of animals grown on forage.



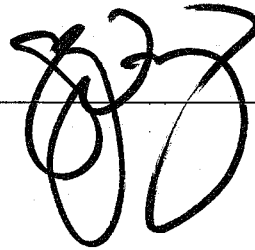
1 "Maritime-related" means a purpose or activity that
2 requires and is directly related to the loading, off-loading,
3 storage, or distribution of goods and services of the maritime
4 industry."

5 SECTION 3. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: _____

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Report Title:

Commercial Aquaculture Leases

Description:

Increases lease terms for aquaculture operations from 35 to 65 years. Permits aquaculture lessees in good standing the right of first refusal. Allows for supportive aquaculture activities.

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