

Summary of Amendments to HB 1326 HD2 Proposed SD1: UPDATED

- Extends the authorization for the issuance of holdover permits from six to a total of ten consecutive one-year holdovers, subject to certain conditions;
- Specifies that the authorization for the issuance of holdover permits does not apply to holdovers or pending lease applications that concern a use or disposition of water rights that is otherwise legally prohibited or invalidated by a court of law;
- Clarifies that holdover authorizations over two mgd shall be limited to demonstrated reasonable beneficial needs, rather than actual, reasonable beneficial needs;
- Deletes language that would have required the Board of Land and Natural Resources, prior to approving any holdover authorization after January 1, 2020, to hold a public hearing on the adoption of proposed administrative rules on the disposition of water rights by lease at public auction and water valuation process and retain a certified appraiser who has a sufficient understanding of real property and water law in the State;
- Inserts language that requires the Department of Land and Natural Resources, prior to approving any holdover authorization after January 1, 2020, to prepare a draft submittal for each pending lease application for the disposition of water rights as to the status of each application and further action required for final disposition, and solicit the services of a qualified appraiser pursuant to chapter 103D, Hawaii Revised Statutes, regarding the water valuation process;
- Requires the Department of Land and Natural Resources to submit to the Board for approval, by January 1, 2022, a long-term lease determination for the disposition of water rights for all applications pending prior to January 1, 2019 that authorize the use of less than two mgd; provided that issuance of the lease is consistent with the public trust;
- Clarifies that the Chairperson of the Board of Land and Natural Resources, Board of Land and Natural Resources, and Commission on Water Resource Management shall conduct an analysis of the effectiveness of the State's long-term water disposition laws and whether section 171-58 is appropriate to guide the Board of Land and Natural Resources on the issuance of long-term leases for the disposition of water rights, and recommend specific statutory changes or new legislation necessary to enable a clear process;
- Allows the Chairperson of the Board of Land and Natural Resources to invite other appropriate, interested parties to participate in the analysis of and recommendations regarding the effectiveness of section 171-58 and issuance of long-term leases for the disposition of water rights;
- Retains language that specifies that holdovers first applied for under Act 126 prior to 6/30/2019 may be reauthorized beyond 6/30/2019;
- Extends the repeal and reenactment provision for Act 126 by seven years, from June 30, 2019 to June 30, 2026;