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**A BILL FOR AN ACT**

RELATING TO LAND USE.

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

1           SECTION 1. The state finds that there are cases where  
2 lands reclassified by the land use commission to the urban  
3 district remain undeveloped for many years after the  
4 reclassification. In some cases, conditions have changed so  
5 significantly that the development proposal as originally  
6 conceived may warrant review and reconsideration. Premature  
7 urban or rural classification encourages speculative land banking  
8 and creates uncertainty in the build out of planned urban or  
9 rural capacity and associated infrastructure. This bill provides  
10 for the development of a use-it-or-lose-it mechanism to ensure  
11 more effective timing of development of planned or approved urban  
12 or rural capacity.

13           SECTION 2. Chapter 205, Hawaii Revised Statutes, is amended  
14 by adding a new section to be appropriately designated and to  
15 read as follows:

16           "§205-    Reversion of district classification. (a) The  
17 commission shall have the authority to reverse district  
18 classification or change a classification when the current  
19 classification has not been exercised.

1           (b) The commission shall establish a process, including  
2 conducting public hearings under chapter 91 to develop deadlines  
3 for substantial progress in the development for any petition  
4 approved for reclassification to the urban or rural district. In  
5 developing guidelines for reclassification deadlines, the  
6 commission may consult with petitioners in prior land use  
7 classifications proceedings, prior land use classifications  
8 parties on the record, land use experts, environmental experts,  
9 people knowledgeable in transportation and related infrastructure  
10 impacts, elected officials, and community representatives.

11           (c) By June 30, 2009, the commission shall adopt rules  
12 pursuant to chapter 91 to guide the commission's process to  
13 identify deadlines for substantial progress in the development of  
14 any petition for reclassification to the urban or rural district.

15           (d) The recommendations of the commission and subsequent  
16 implementation of a reversion and/or change of classification  
17 policy shall not apply to land that is the subject of a state- or  
18 county-initiated petition for a regional boundary amendment based  
19 upon a regional boundary review; nor shall it apply to any  
20 petition approved by the commission or accepted for filing by the  
21 commission prior to the effective date of the adoption of  
22 reversion and/or change of classification rules."

23           SECTION 3. New statutory material is underscored.

H.B. NO. 3075

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

INTRODUCED BY: Calvin K. King

BY REQUEST

JAN 22 2008

**Report Title:**

Land use classifications

**Description:**

Sets up a process for determining when land use classifications should be rescinded because they have not been used for a period of time, particularly for lands classified as urban or rural.

## JUSTIFICATION SHEET

DEPARTMENT: Business, Economic Development, and Tourism

TITLE: A BILL FOR AN ACT RELATING TO LAND USE.

PURPOSE: The purpose of the bill is to deter speculative land use reclassification by limiting the period of time a reclassification to the urban or rural district is in effect, unless before the end of the period, the Land Use Commission finds there has been substantial progress of the development of the lands.

MEANS: Add a new section to chapter 205, Hawaii Revised Statutes.

JUSTIFICATION: The bill sets forth a process for the Land Use Commission to develop a use-it-or-lose-it mechanism to ensure more effective use of planned or approved urban capacity. This would help stem speculative land banking. The bill would enable greater certainty in the build out of planned urban or rural capacity, and attempts to rectify inefficiencies in the land use system.

The bill would also increase the effectiveness of the Land Use Commission's decisions and enhance implementation of the state land use law.

Impact on the public: The proposal would alter the timing of development proposals. It would encourage developers to submit development projects when market conditions permit the project to proceed within a foreseeable timeframe. The bill is likely to slow the premature classification of urban or rural lands.

Impact on the department: The proposal is not expected to have any adverse impact upon the department. The Land Use Commission

will need to amend its rules to implement the bill.

GENERAL FUND:

None.

OTHER FUNDS:

None.

PPBS PROGRAM  
DESIGNATION:

BED-103.

OTHER AFFECTED  
AGENCIES:

Land Use Commission, county planning and permitting departments.

EFFECTIVE DATE:

Upon approval.