
A BILL FOR AN ACT

RELATING TO PUBLIC LANDS.

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

1 SECTION 1. The Hawaiian Homes Commission Act, 1920, as
2 amended, is amended by adding a new section to be appropriately
3 designated and to read as follows:

4 "§ Commercial, hotel, industrial, or resort leases;

5 extension of term. (a) This section shall apply to all

6 developments subject to sections 204, 204.5, and 220.5.

7 (b) Notwithstanding any law to the contrary, the

8 department may extend the term of a lease of Hawaiian home lands

9 for commercial, industrial, business, and multipurpose projects

10 upon the approval by the department of a written agreement

11 proposed by the lessee, or the lessee and developer, to either:

12 (1) Make substantial improvements to the leased property;

13 or

14 (2) Obtain financing from financial institutions that will

15 be used for the improvement of the leased lands.

16 (c) Prior to entering into a written agreement, the

17 lessee, or the lessee and developer, shall submit to the

18 department the plans and specifications for the total



1 development being proposed. The department shall review the
2 plans and specifications and determine:

3 (1) Whether the development proposed in the written
4 agreement is of sufficient worth and value to justify
5 the extension of the lease;

6 (2) The estimated period of time to complete the
7 improvements and expected date of completion of the
8 improvements; and

9 (3) The minimum revised annual rent based on the fair
10 market value of the lands to be developed, as
11 determined by an appraiser for the department, and
12 percentage rent where gross receipts exceed a
13 specified amount.

14 No lease extension shall be approved until the department and
15 the lessee, or the lessee and developer, mutually agree to the
16 terms and conditions of the written agreement.

17 (d) No construction shall commence until the lessee, or
18 the lessee and developer, have filed with the department a good
19 and sufficient bond or other financial guaranty satisfactory to
20 the department.



1 (e) The extension of the lease pursuant to this section
2 shall be based upon the substantial improvements made and shall
3 be no longer than thirty-four years.

4 (f) As used in this section, "substantial improvements"
5 means any renovation, rehabilitation, reconstruction, or
6 construction of the property, including minimum requirements for
7 off-site and on-site improvements."

8 SECTION 2. The provisions of the amendments made by this
9 Act to the Hawaiian Homes Commission Act, 1920, as amended, are
10 declared to be severable, and if any section, sentence, clause,
11 or phrase, or the application thereof to any person or
12 circumstances is held ineffective because there is a requirement
13 of having the consent of the United States to take effect, then
14 that portion only shall take effect upon the granting of consent
15 by the United States and effectiveness of the remainder of these
16 amendments or the application thereof shall not be affected.

17 SECTION 3. New statutory material is underscored.

18 SECTION 4. This Act shall take effect on July 1, 2010.



Report Title:

Public Lands; Extension of Leases

Description:

Authorizes the Department of Hawaiian Home Lands to extend leases of Hawaiian home lands for commercial or industrial uses for 34 years upon a development agreement to improve the leased land. (HB2923 HD1)

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