
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 leases; extension of term. (a)
5 Notwithstanding any law to the contrary, the procedures under
6 this section shall apply to commercial and multipurpose projects
7 under section 220.5.

8 (b) Notwithstanding section 220.5(d)(1), the department
9 may extend the term of a lease of Hawaiian home lands for
10 commercial or multipurpose projects with the approval by the
11 department of a written agreement proposed by the lessee, or the
12 lessee and developer, to either:

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

14 or

15 (2) Obtain financing from financial institutions for the
16 improvement of the leased lands.

17 (c) Before the written agreement is approved, the lessee,
18 or the lessee and developer, shall submit to the department the



1 plans and specifications for the proposed development. The
2 department shall review the plans, specifications, and written
3 agreement, and determine:

4 (1) Whether the development is of sufficient value to
5 justify the extension of the lease;

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

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

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

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

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



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

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

14 SECTION 3. New statutory material is underscored.

15 SECTION 4. This Act shall take effect on July 1, 2020.

Report Title:

Public Lands; Extension of Leases

Description:

Authorizes the Department of Hawaiian Home Lands to extend leases of Hawaiian home lands for commercial and multipurpose projects for 34 years upon a development agreement to improve the leased land. Effective July 1, 2020. (HB2923 HD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

