
A BILL FOR AN ACT

RELATING TO STATE LAND LEASES.

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

1 SECTION 1. Section 171-87, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§171-87 Disposition to victims of natural disaster, when.**
4 Notwithstanding any law to the contrary, the board of land and
5 natural resources may dispose of public land to victims of a
6 natural disaster by negotiation and without recourse to public
7 auction for purposes other than the personal residences of the
8 victims or for agricultural purposes as hereinafter provided.

9 To effectuate disposition for the purpose of relocating
10 victims onto public lands and placing them in circumstances
11 similar to those which existed prior to the natural disaster the
12 board shall:

13 (1) Subdivide and improve public lands, including the
14 construction of roads, in conformity with applicable
15 county or city and county zoning and subdivision
16 requirements and good planning;

17 (2) Lease the lands at fair market rental as determined by
18 the board, based on appraisals by at least one but not



1 more than three disinterested appraisers[7]; provided
2 that the board shall waive rental for the first two
3 years of the terms of the lease;

4 (3) Limit the size of any lot leased under this part in
5 accord with need and use[7]; provided that such lot
6 shall not exceed four acres of usable land;

7 (4) Lease only one lot to a person eligible under this
8 part; provided that if the person owned, leased, or
9 occupied another lot in the devastated area which was
10 used for a different purpose, the board may lease a
11 maximum of two lots to the person if there is a
12 different use for each lot;

13 (5) Include in the instrument of lease, in addition to
14 other terms and conditions, the following:

15 (A) The lessee, for the first five years of the term
16 of the lease, shall use the leased land for the
17 same business use or undertaking as that in which
18 the lessee was engaged at the time of the natural
19 disaster or for a use approved by the board;

20 (B) The lessee shall complete the construction of
21 improvements required under the lessee's lease
22 within one year from the commencement of the



1 lease, unless the board extends the time of
2 completion, and if the lessee defaults with
3 respect to the construction of the improvements
4 and fails to remedy or cure the default after
5 proper notice thereof as provided in section 171-
6 20, the board may, at its option, subject to the
7 provisions of section 171-21, declare a
8 forfeiture of all the right, title, and interest
9 of the lessee in and to the leased land;

10 (C) The lessee shall not assign, mortgage, or sublet
11 the whole of the leasehold premises, without the
12 prior approval of the board[~~r~~]; provided that the
13 lessee may sublet a part of the leasehold
14 premises without approval of the board; and

15 (D) The lease rental shall be subject to
16 redetermination and renegotiation during the
17 lease term in the manner and at such intervals as
18 the board may specify in the lease.

19 (6) Renegotiate an extension to the lease; provided that:

20 (A) The board finds that it is in the public
21 interest;



- 1 (B) There is less than five years remaining on the
- 2 lease term;
- 3 (C) The lessee shall make substantial improvements to
- 4 the lease premises. As used in this
- 5 subparagraph, "substantial improvement" means any
- 6 renovation, rehabilitation, reconstruction, or
- 7 construction of the demised premises, including
- 8 minimum requirements for off-site improvements,
- 9 the cost of which equals or exceeds fifty per
- 10 cent of the market value of the demised premises
- 11 that the lessee or the lessee and the developer
- 12 must install, construct, and complete by the date
- 13 of completion of the total development; and
- 14 (D) The lease extension shall not exceed
- 15 years."

16 SECTION 2. New statutory material is underscored.

17 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY: *[Signature]*

[Signature]

[Signature]

[Signature]



Report Title:

State Land Leases; Disaster Relief

Description:

Allows the Board of Land and Natural Resources to extend the existing leases of qualifying disaster relief lessees.

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

