

Honolulu, Hawaii

February 28, 2014

RE: H.B. No. 1688

H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1688, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC LANDS,"

begs leave to report as follows:

The purpose of this measure is to, among other things:

- (1) Grant certain lessees of public land the right to extend a lease that is within ten years of its expiration upon a demonstration that financing for capital improvements on the land is dependent upon extension of the lease term, among other factors;
- (2) Establish an appraisal process to assist in the determination of fair market value for rental purposes; and
- (3) Provide for reimbursement to the lessee for the depreciated value of improvements where the lease is not extended.

Hilo Bay Printing Co., Ltd.; HPM Building Supply; Chika Nakano Repair Shop; Citizens for Fair Valuation; Takamine Construction, Inc.; Japanese Chamber of Commerce & Industry of Hawaii; and a few individuals provided testimony in support of this measure. The Department of Land and Natural Resources



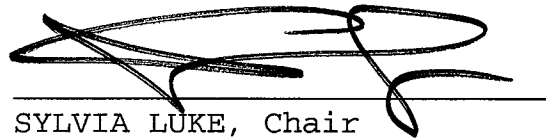
provided testimony in opposition to this measure. The Hawaii Farm Bureau provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, for the purpose of facilitating further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1688, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1688, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



