

SR77

LATE

TESTIMONY

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

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HONOLULU, HAWAII 96809

**Testimony of
WILLIAM J. AILA, JR.
Chairperson**

**Before the Senate Committees on
WATER AND LAND
and
AGRICULTURE**

**Friday, March 21, 2014
1:00 P.M.
State Capitol, Conference Room 225**

**In consideration of
SENATE CONCURRENT RESOLUTION 141/SENATE RESOLUTION 77
REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO
DEFER LEASE PAYMENTS ON PASTURE LEASES FOR TWO YEARS TO AFFORD
LEASEHOLDERS A REPRIEVE FROM DROUGHT CONDITIONS**

Senate Concurrent Resolution 141/Senate Resolution 77 request the Department of Land and Natural Resources (Department) to defer lease payments on pasture leases for two years to give lessees relief from drought conditions. **The Department appreciates the intent of these resolutions, but provides the following comments.**

Under the statute governing the actions of the Board of Land and Natural Resources (Board), there is no provision authorizing the Board to defer rent payments for two years, or to suspend interest and late fees due on late rent payments.¹ As a practical matter, when a lessee defaults on rent and the lease is taken to the Board for forfeiture, the Board sometimes grants the lessee additional time (usually 30-90 days) to cure the default, after which the lease will be terminated if the default is not cured. But the lessee is always held responsible for interest and late fees. Accordingly, the Department is concerned that the Board may not be able to comply with these resolutions if passed.

Thank you for the opportunity to testify.

¹ It is not clear from the resolutions whether the lessees would be excused from pay interest and late fees on deferred rental payments.

WILLIAM J. AILA, JR.
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

JESSE K. SOUKI
FIRST DEPUTY

WILLIAM M. TAM
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
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