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# A BILL FOR AN ACT

RELATING TO PUBLIC SCHOOL LANDS.

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

1           SECTION 1. Section 302A-1151.1, Hawaii Revised Statutes,  
2 is amended to read as follows:

3           " ~~[+] §302A-1151.1 [+-]~~ Pilot program for lease of public  
4 school land. (a) There shall be established within the  
5 department a pilot program for the lease of public school land,  
6 including facilities. The department, in consultation with the  
7 board of education and any other appropriate agency, shall serve  
8 as the facilitator of the pilot program.

9           (b) Notwithstanding sections 171-13 and 302A-1151, or any  
10 other law to the contrary, the department may lease public  
11 school land on terms it deems appropriate ~~[+-]~~, including a lease-  
12 back of all or a portion of the improvements constructed;

13 provided that:

14           (1) The board may identify and select up to five public  
15 school land sites as candidates for participation in  
16 the pilot program; provided that:



- 1 (A) During the identification and selection process,  
2 the board shall be subject to chapter 92, shall  
3 hold at least one public meeting in each affected  
4 community, and shall foster school and community  
5 participation; and
- 6 (B) If the site is on land owned by the county, the  
7 department shall consult with the county;
- 8 (2) The department may lease public school land for no  
9 more than three public school land sites identified  
10 and selected by the board pursuant to paragraph (1)  
11 under leases for a term of not more than fifty-five  
12 years per lease, unless extended pursuant to section  
13 171-36, to lessees who shall be required to modify,  
14 construct, or utilize facilities to ~~[meet public]~~  
15 benefit public educational purposes, ~~[including~~  
16 ~~workforce rental housing units,~~] in accordance with  
17 specific request for proposal or request for  
18 information guidelines; ~~[and]~~
- 19 (3) Each lease shall stipulate that the lessee may retain  
20 any revenue generated from the facilities; provided  
21 that:



- 1 (A) The lessee shall be obligated to maintain and  
2 operate the facilities [~~for a public purpose~~] to  
3 benefit public educational purposes for the  
4 length of the lease;
- 5 (B) The lessee shall be obligated to pay to the  
6 county all applicable property tax on the value  
7 of any improvements;
- 8 (C) A leasehold premium may be charged to the lessee  
9 for the right to use the public school land based  
10 on a competitive [~~bid~~] process[~~+~~] that complies  
11 with applicable sections of chapter 103D;
- 12 (D) Upon the expiration of the lease, the facilities  
13 shall revert to the department; and
- 14 (E) All revenues and proceeds derived by the State  
15 under this section shall be deposited in the  
16 school facilities subaccount pursuant to section  
17 302A-1151.2 [~~+~~]; and
- 18 (4) Notwithstanding any law to the contrary, the  
19 department may enter into lease-back agreements that  
20 allow the department to lease or sublease the property  
21 to a third party. The department may lease back the



1           property from the third-party lessee or sublessee for  
2           a contractual period of time, after which the  
3           department shall own any improvements.

4           (c) Any redevelopment involving nonschool purposes shall:

5           (1) Comply with county plans, ordinances, and zoning and  
6           development codes; and

7           (2) Acquire all required government approvals and permits.

8           (d) Nothing in this section shall preclude the department  
9           from working with and receiving assistance from any other  
10          department or agency in carrying out the purposes of this  
11          section.

12          (e) Any lease entered into by the department pursuant to  
13          subsection (b) shall be fully executed no later than five years  
14          from July 1, 2013.

15          (f) For purposes of this section, public educational  
16          benefits shall include but are not limited to:

17          (1) A new revenue source from the redevelopment of one or  
18          more underutilized department facilities;

19          (2) New construction of department facilities or  
20          renovation of existing, underutilized department  
21          facilities into a twenty-first century school; or



1        (3) A combination of paragraphs (1) and (2)."

2        SECTION 2. Statutory material to be repealed is bracketed  
3 and stricken. New statutory material is underscored.

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

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INTRODUCED BY:

Boale

Jakobi Blum

JAN 22 2015



# H.B. NO. 230

**Report Title:**

Public School Lands

**Description:**

Requires public school lands that are leased to benefit public educational purposes rather than simply to be used for public purposes. Authorizes the DOE to enter into lease-back agreements.

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

