

Honolulu, Hawaii

April 28, 2017

RE: H.B. No. 575  
H.D. 1  
S.D. 1  
C.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 575, H.D. 1, S.D. 1, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to encourage the highest and best use of public lands by permitting a lessee of public lands to relinquish the lease within the final ten years of the lease term and permitting the Board of Land and Natural Resources to dispose of the relinquished land and any improvements by public auction.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have allowed a lessee to relinquish a lease and established a process for the Board to proceed directly to disposition of the land by public auction;



- (2) Inserting new language that creates a process by which a public land lessee may, within the final ten years of the lease term, request that the Board solicit potentially interested, qualified parties to whom the Board may dispose of the land and:
  - (A) Limits application of the process to land classified as commercial and industrial use;
  - (B) Authorizes the Board to enter into direct negotiation for a new lease with the current lessee if no other interested, qualified parties are available;
  - (C) Authorizes the disposition of the land by public auction during the final three years of the lease term if it has not been re-leased by that time and if at least one interested, qualified party is available;
  - (D) Authorizes the Board to determine the terms of the new lease, subject to specified conditions; and
  - (E) Accounts for the disposition of improvements to the land that were owned or constructed by the current lessee;
- (3) Inserting new language that authorizes the Board of Land and Natural Resources to extend, without public auction, the lease of public land to a school or government entity beyond the generally-applicable sixty-five year limit on public land leases, except for conservation land leased to the University of Hawaii that has been subleased for purposes of building an astronomical observatory;
- (4) Deleting appropriations to the Department of Land and Natural Resources;
- (5) Changing its effective date to July 1, 2017; and
- (6) Making technical, nonsubstantive amendments for the purpose of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of

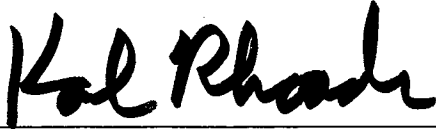


H.B. No. 575, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 575, H.D. 1, S.D. 1, C.D. 1.

Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE SENATE

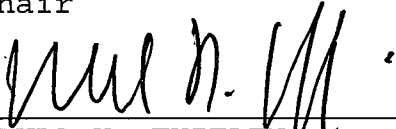
ON THE PART OF THE HOUSE



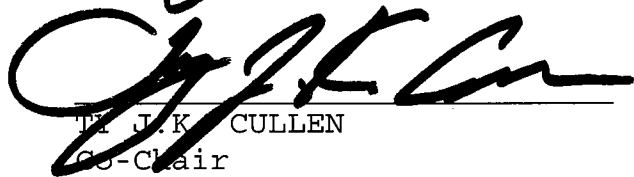
KARL RHOADS  
Chair



RYAN I. YMAME  
Co-Chair



LAURA H. THIELEN  
Co-Chair



J. K. CULLEN  
Co-Chair



KATALIN F. KOZMA  
Co-Chair



