
A BILL FOR AN ACT

RELATING TO PUBLIC LANDS.

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

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PART I

2 SECTION 1. Act 155, Session Laws of Hawaii 2013 (Act 155),

3 was approved by the governor on June 21, 2013. The purpose of

4 Act 155 was to optimize the use of public school lands to

5 generate opportunities to improve public school facilities and

6 infrastructure to meet the challenges of the twenty-first

7 century and to improve the overall quality of education in

8 Hawaii. In particular, Act 155 established a pilot program to

9 generate revenue from uses of public school lands for public

10 purposes, such as workforce housing, to build and retrofit

11 twenty-first century schools and create more school-centered

12 communities. The pilot program laid important groundwork for a

13 statewide approach and plan to optimize the use of public school

14 lands and modernize public school facilities.

15 The legislature finds that in subsequent discussions with

16 government agencies and private developers, the existing fifty-

17 five year lease term allowed in Act 155 would be problematic in



1 financing redevelopment projects. Also, the department of
 2 education has been working closely with the Hawaii housing
 3 finance and development corporation for assistance in the
 4 implementation of redevelopment projects on department of
 5 education-controlled lands. The Hawaii housing finance and
 6 development corporation is pursuing ninety-nine year leasehold
 7 condominiums for some of their housing projects on state-owned
 8 lands. Extending the lease terms for redevelopment under Act
 9 155 would allow prospective developers flexibility in securing
 10 financing as well as ensuring a better long-term return to the
 11 State for the use of its lands.

12 The purpose of this part is to allow the department of
 13 education to lease public school lands for a term of not more
 14 than years per lease to provide prospective developers
 15 flexibility in securing financing.

16 SECTION 2. Chapter 302A, Hawaii Revised Statutes, is
 17 amended by adding a new section to subpart C of part IV to be
 18 appropriately designated and to read as follows:

19 "§302A- Public libraries; lands. Notwithstanding any
 20 law to the contrary, as of July 1, 2019, title to those portions
 21 of department lands on which public libraries are located shall



1 be held by the public library system identified in section 302A-
2 1120."

3 SECTION 3. Section 302A-1151.1, Hawaii Revised Statutes,
4 is amended by amending subsection (b) to read as follows:

5 "(b) Notwithstanding sections 171-13 and 302A-1151, or any
6 other law to the contrary, the department may lease public
7 school land on terms it deems appropriate, including a leaseback
8 of all or a portion of the improvements constructed; provided
9 that:

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

13 (A) During the identification and selection process,
14 the board shall be subject to chapter 92, shall
15 hold at least one public meeting in each affected
16 community, and shall foster school and community
17 participation; and

18 (B) If the site is on land owned by the county, the
19 department shall consult with the county;

20 (2) The department may lease public school land for no
21 more than three public school land sites identified



1 and selected by the board pursuant to paragraph (1)
 2 under leases for a term of not more than [~~fifty five~~
 3 ~~years per lease, unless extended pursuant to section~~
 4 ~~171-36,~~ years per lease, to lessees who shall
 5 be required to modify, construct, or utilize
 6 facilities to benefit public educational purposes, in
 7 accordance with specific request for proposal or
 8 request for information guidelines;

9 (3) Each lease shall stipulate that the lessee may retain
 10 any revenue generated from the facilities; provided
 11 that:

12 (A) The lessee shall be obligated to maintain and
 13 operate the facilities to benefit public
 14 educational purposes for the length of the lease;

15 (B) The lessee shall be obligated to pay to the
 16 county all applicable property tax on the value
 17 of any improvements;

18 (C) A leasehold premium may be charged to the lessee
 19 for the right to use the public school land based
 20 on a competitive process that complies with
 21 applicable sections of chapter 103D;



1 (D) Upon the expiration of the lease, the facilities
2 shall revert to the department; and

3 (E) All revenues and proceeds derived by the State
4 under this section shall be deposited in the
5 school facilities subaccount pursuant to section
6 302A-1151.2; and

7 (4) Notwithstanding any law to the contrary, the
8 department may enter into leaseback agreements that
9 allow the department to lease or sublease the property
10 to a third party. The department may lease back the
11 property from the third-party lessee or sublessee for
12 a contractual period of time, after which the
13 department shall own any improvements."

14 PART II

15 SECTION 4. The legislature finds that Act 206, Session
16 Laws of Hawaii 2017 (Act 206), was approved by the governor on
17 July 12, 2017. The purpose of Act 206 was to transfer public
18 lands under existing department of education facilities from the
19 city and county of Honolulu to the department of land and
20 natural resources.



1 The legislature further finds that rather than have the
2 lands transferred from the city and county of Honolulu to the
3 department of land and natural resources and then to the
4 department of education, Act 206 should be amended to allow the
5 city and county of Honolulu to transfer the lands directly to
6 the department of education in a manner similar to that in
7 Act 210, Session Laws of Hawaii 2018.

8 The purpose of this part is to amend Act 206, Session Laws
9 of Hawaii 2017, to allow the city and county of Honolulu to
10 transfer lands under existing department of education facilities
11 directly to the department of education, rather than to the
12 department of land and natural resources.

13 SECTION 5. Act 206, Session Laws of Hawaii 2017, section
14 2, is amended by amending subsections (a), (b), and (c) to read
15 as follows:

16 "(a) Notwithstanding any other law to the contrary, the
17 fee simple interest to the following parcels of land with the
18 existing improvements thereon (hereinafter "the properties")
19 (but not including submerged land, accreted land, or any land
20 makai of the shoreline), shall be conveyed by the city and



1 county of Honolulu to the department of [~~land and natural~~
2 ~~resources~~] education as grantee, as is, where is:

- 3 (1) TMK 1-4-5-34-14 (Castle High);
- 4 (2) TMKs 1-5-6-6-9, 1-5-6-6-10, and 1-5-6-6-25 (Kahuku
5 High and Elementary);
- 6 (3) TMK 1-4-4-34-24 (Kalaheo High);
- 7 (4) TMK 1-9-1-1-2 (portion) (Campbell High);
- 8 (5) TMK 1-8-5-15-1 (Waianae High);
- 9 (6) TMK 1-9-4-8-20 (Waipahu High);
- 10 (7) TMK 1-9-8-31-17 (Aiea High);
- 11 (8) TMK 1-7-4-18-1 (Leilehua High);
- 12 (9) TMK 1-9-9-2-23 (Radford High);
- 13 (10) TMK 1-6-7-2-10 (Waiialua High and Intermediate);
- 14 (11) TMKs 1-6-003-048, 1-6-021-005 (Farrington High);
- 15 (12) TMK 2-7-024-001 (Kaimuki High);
- 16 (13) TMK 3-9-005-027 (Kaiser High); and
- 17 (14) TMK 3-5-020-004 (Kalani High).

18 (b) The city and county of Honolulu shall prepare,
19 execute, and record, in the land court or bureau of conveyances,
20 as appropriate, a quitclaim deed to convey each above-listed
21 parcel with all existing improvements, subject to the property



1 boundaries determined pursuant to subsection (d), to the
2 department of [~~land and natural resources,~~] education, as
3 grantee. As these are conveyances in which the city and county
4 of Honolulu and the State and its agencies are the only parties,
5 the tax imposed by section 247-1, Hawaii Revised Statutes, shall
6 not apply to them. Effective on the date of transfer pursuant
7 to subsection (e), every reference to the present titleholder or
8 the head of the department or agency in each instrument, if the
9 titleholder is a department or an agency, shall be construed as
10 a reference to the department of [~~land and natural resources.~~]
11 education.

12 (c) The department of [~~land and natural resources]~~
13 education shall accept the properties in their existing
14 condition. All claims and liabilities against the city and
15 county of Honolulu, if any, which the department of [~~land and~~
16 ~~natural resources]~~ education has, may have had, or may have in
17 the future, regarding any injury, loss, cost, damage, or
18 liability, including reasonable attorney's fees, concerning the
19 physical, environmental, soil, economic, and legal conditions of
20 the conveyed properties, are released, waived, and
21 extinguished."



1 PART III

2 SECTION 6. Statutory material to be repealed is bracketed

3 and stricken. New statutory material is underscored.

4 SECTION 7. This Act shall take effect on July 1, 2052.



Report Title:

Public School Lands; Lease; Department of Education; Transfer

Description:

Part I: Allows the Department of Education to lease public school lands for a term of not more than an unspecified number of years per lease. Specifies that title to those portions of Department of Education lands on which public libraries are located are held by the public library system. Part II: Amends Act 206, Session Laws of Hawaii 2017, to allow the City and County of Honolulu to transfer lands under existing Department of Education facilities directly to the Department of Education, rather than through the Department of Land and Natural Resources. (SB1303 HD1)

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

