

STAND. COM. REP. NO.

115

Honolulu, Hawaii

February 7, 2019

RE: H.B. No. 1025
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Water, Land, & Hawaiian Affairs, to which was referred H.B. No. 1025 entitled:

"A BILL FOR AN ACT RELATING TO LEASE EXTENSIONS ON PUBLIC LAND,"

begs leave to report as follows:

The purpose of this measure is to authorize the Board of Land and Natural Resources to extend existing leases of public land for commercial, industrial, or resort use; provided that the lease has not been sold or assigned within the past twenty years and subject to Board approval of the lessee's development plan for substantial improvements.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources. McCully Works submitted comments on this measure.

Your Committee has amended this measure by:

- (1) Making leases held by any department or agency of the State or a county, other than the University of Hawaii or any department, agency, or attached entity of the University of Hawaii system, eligible for extension pursuant to this measure;

HB1025 HD1 HSCR WLH HMS 2019-1642

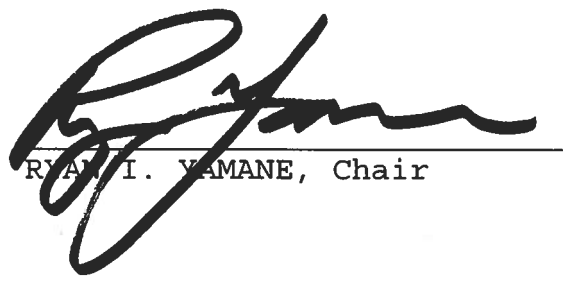


- (2) Amending eligibility for a lease extension pursuant to this measure to include leases that have not been assigned or transferred within the last five years;
- (3) Deleting the prohibition on transfer or assignment of leases during the extension period and specifying that leases may be subleased during the extension period, subject to Board approval;
- (4) Deleting language requiring that lease extensions be effectuated, documented, and executed pursuant to the most current lease forms and leasing practices of the Board;
- (5) Amending the criteria for substantial improvements required as a condition of eligibility for a lease extension to require that the cost of substantial improvements equal or exceed thirty percent of the market value of existing improvements;
- (6) Changing its effective date to July 1, 2050 to encourage further discussion;
- (7) Extending the sunset date to June 30, 2029; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1025, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1025, H.D. 1, and be referred to your Committee on Judiciary.



Respectfully submitted on
behalf of the members of the
Committee on Water, Land, &
Hawaiian Affairs,



RYAN I. YAMANE, Chair

