

Honolulu, Hawaii

, 2020

FEB 05

RE: H.B. No. 2191

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Water, Land, & Hawaiian Affairs, to which was referred H.B. No. 2191 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 commercial, industrial, resort, or governmental leases, other than those to which the University of Hawaii is a party, that have not been sold or assigned within the last ten years, for lessees who commit to making substantial improvements to existing improvements.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Office of the Mayor of the County of Hawai'i, Prince Kuhio Plaza, and one member of the Hawaii County Council. Your Committee received testimony in opposition to this measure from the Office of Hawaiian Affairs and one individual.

Your Committee finds that lessees of public lands whose leases may be nearing the end of the lease term have little incentive to make major investments in infrastructural improvements and to ensure the long-term maintenance of the facilities. Your Committee further finds that because business



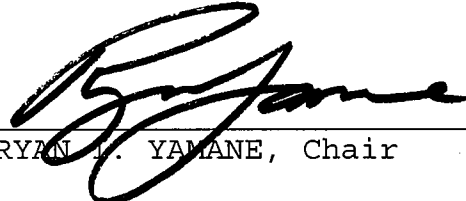
lessees nearing the end of their lease often sell or assign their lease at a discount, it would be unfair to these prior assignors if the State granted extensions of leases that previously could not be extended under existing law, or extensions of lease terms to newly assigned lessees who acquired their leases at a discount due to the lease nearing the end of its term at the time of purchase. This measure will address the issue of deteriorating facilities by authorizing the Board of Land and Natural Resources to extend certain leases, that have not been sold or assigned within the last ten years, for lessees who commit to making substantial improvements to the existing improvements.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of 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. 2191, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2191, 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 T. YAMANE, Chair



