

STAND. COM. REP. NO. 249

Honolulu, Hawaii

FEB 13 2019

RE: S.B. No. 1252
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Water and Land, to which was referred S.B. No. 1252 entitled:

"A BILL FOR AN ACT RELATING TO RENTALS FOR PUBLIC LAND LEASES,"

begs leave to report as follows:

The purpose and intent of this measure is to temporarily authorize the Board of Land and Natural Resources to approve rental reductions or waivers of up to twenty years of lease rental for public land leases that require substantial demolition costs or infrastructure improvement costs in order for the lessee to utilize the premises.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and one individual.

Your Committee finds that there are a number of long-term leases of public lands that have expired in recent years with significant improvements constructed on the premises during the lease term. In some cases, the leasehold improvements require costly demolition; however, the lease forms used for these leases did not require the lessee to remove the improvements at the expiration of the lease term. As a result, the demolition cost falls on the State unless the State can pass the cost on to a future lessee who undertakes redevelopment of the land. Your



Committee further finds that there are unimproved public lands in the State's inventory that the State desires to develop for various uses; however, substantial investments in infrastructure will be required to facilitate development of the lands with costs in the tens of millions of dollars. To incentivize redevelopment and improvement of these lands, this measure proposes to temporarily increase the amount of rent reduction or waiver that a lessee of public lands can receive for redeveloping or improving public lands.

Your Committee has amended this measure by:

- (1) Inserting an effective date of December 31, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1252, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1252, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Water and Land,

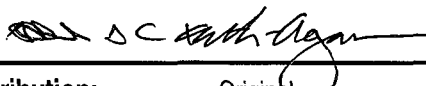


KAIALI'I KAPELE, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1252	WTL, WAM	02-04-19		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KAHELE, Kaiali'i (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
NISHIHARA, Clarence K.	X			
RIVIERE, Gil	X			
FEVELLA, Kurt				X
TOTAL	4			1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes