
A BILL FOR AN ACT

RELATING TO PUBLIC LANDS.

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

1 PART I

2 SECTION 1. Section 171-136, Hawaii Revised Statutes, is
3 amended to read as follows:

4 "**§171-136 Disposition of public lands within industrial**
5 **park.** The board shall dispose of economic units within an
6 industrial park only by lease to eligible lessees or lessees
7 engaged in commercial uses as provided under paragraph (1)(B).
8 The leases shall be issued by the board in accordance with this
9 chapter, subject to the following:

10 (1) Only industrial uses shall be allowed on the public
11 lands leased; provided that:

12 (A) The eligible lessee may be allowed to engage in
13 nonindustrial uses and activities ancillary and
14 necessary to the eligible lessee's industrial
15 use; and

16 (B) The board may lease public lands within the
17 industrial park for commercial uses if the uses



1 2019 pandemic. The governor acknowledged that state employees
 2 could face furloughs as efforts to balance the State's budget
 3 and manage a projected \$1,400,000,000 shortfall over each of the
 4 next four years continued to evolve. It is timely, therefore,
 5 that the legislature consider revenue-generating proposals to
 6 help balance the state budget.

7 The purpose of this part is to generate state revenues by
 8 authorizing the board of land and natural resources to sell Sand
 9 Island industrial park parcels to a lessee under a master lease
 10 who has expressed a strong interest in purchasing the fee
 11 interest in those leasehold lots.

12 SECTION 3. Chapter 171, Hawaii Revised Statutes, is
 13 amended by adding a new section to part VII to be appropriately
 14 designated and to read as follows:

15 "§171- Sale of public lands within industrial park to
 16 existing lessees. Notwithstanding the provisions of section
 17 171-136, or any other provision to the contrary, the board may
 18 sell the fee simple interest in each parcel of industrial park
 19 land to the lessee of that parcel under an existing lease.
 20 Revenues generated by the sale of fee simple interests in



1 industrial park lands shall be distributed in equal amounts to
2 the general fund and the special land and development fund."

3 SECTION 4. The board of land and natural resources shall
4 submit a report on its progress in selling industrial park lands
5 to lessees under existing leases, to the legislature no later
6 than twenty days prior to the convening of the regular session
7 of 2022.

8 PART III

9 SECTION 5. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 6. This Act shall take effect on July 1, 2050.



Report Title:

BLNR; Sand Island Industrial Park; Sale Under Master Lease; Rent Escalation

Description:

Provides that each industrial park lease shall include a rent escalation clause that specifies that increases in rental rates for a 5-year period shall not exceed the lower of the percentage specified in the Consumer Price Index or 10%. Authorizes the Board of Land and Natural Resources to sell parcels of Sand Island Industrial Park to a lessee under a master lease. Effective 7/1/2050. (SD1)

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

