

Honolulu, Hawaii

**MAR 24 2022**

RE: H.B. No. 1432  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committees on Water and Land and Government Operations,  
to which was referred H.B. No. 1432, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONCESSIONS ON PUBLIC  
PROPERTY,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase the maximum term of a concession;
- (2) Exempt concessions for beach or ocean-related recreational services from sealed bid requirements, with certain conditions;
- (3) Provide that a county director of parks and recreation has sole discretion to designate which county parks are environmentally, culturally, historically, or operationally unique for purposes of determining whether a concession at the park is exempt from the sealed bid requirements; and
- (4) Expand the exemption for concessions at county zoos, botanic gardens, or county parks that are designated by the respective county director of parks and recreation, in the director's sole discretion, as environmentally,



culturally, historically, or operationally unique; provided that the concessions are awarded to responsible offerors whose proposals are the most advantageous, rather than solely to certain nonprofit corporations.

Your Committees received testimony in support of this measure from the Department of Enterprise Services of the City and County of Honolulu. Your Committees received testimony in opposition to this measure from the Palekaiko Beachboys Club.

Your Committees find that, while public leases may be granted for up to sixty-five years, concession contracts may not exceed fifteen years, making it difficult for agencies to find concessionaires who are willing to invest in the necessary capital improvements to provide satisfactory concession services to visitors and residents of the State. Notably, it is challenging for potential concessionaires to generate sufficient revenues to support operations while amortizing the concessions' construction and other costs at the current lease and contract length of fifteen years. This measure promotes a more efficient concessions bidding process by increasing the maximum length of concession contracts and establishing and expanding exemptions for certain types of concessions.

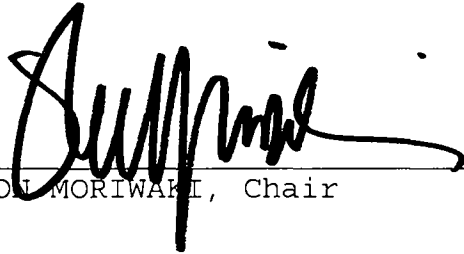
Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2022; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water and Land and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1432, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1432, H.D. 1, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.

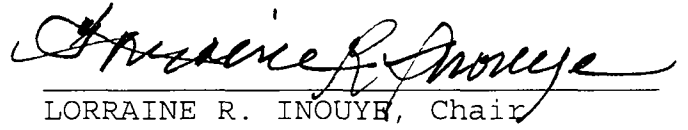


Respectfully submitted on  
behalf of the members of the  
Committees on Water and Land  
and Government Operations,



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SHARON MORIWAKI, Chair



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LORRAINE R. INOUYE, Chair



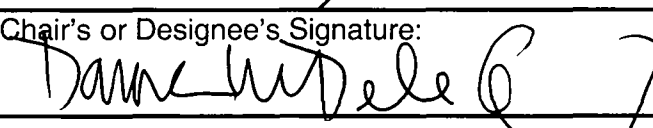
The Senate  
Thirty-First Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Water and Land**  
**WTL**

|  |                     |          |     |         |
|--|---------------------|----------|-----|---------|
| Bill / Resolution No.:*  | Committee Referral: | Date:    |     |         |
| HB 1432, HDI   | WTL/GVO, JDC/WAM    | 3/22/22  |     |         |
| <input type="checkbox"/> The Committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____  |                     |          |     |         |
| The Recommendation is:<br><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 |
| INOUYE, Lorraine R. (C)  | ✓                   |          |     |         |
| KEITH-AGARAN, Gilbert S.C. (VC)  |                     |          |     | ✓       |
| MISALUCHA, Bennette E.   | ✓                   |          |     |         |
| RIVIERE, Gil   | ✓                   |          |     |         |
| FEVELLA, Kurt  |                     |          |     | ✓       |
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| <b>TOTAL</b>   | 3                   |          |     | 2       |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted   |                     |          |     |         |
| Chair's or Designee's Signature:<br><div style="text-align:center; font-family: cursive; font-size: 1.2em;">Bennette E. Misalucha</div>  |                     |          |     |         |
| <b>Distribution:</b> Original     Yellow     Pink     Goldenrod<br>File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy   |                     |          |     |         |

\*Only one measure per Record of Votes

**Record of Votes  
 Committee on Government Operations  
 GVO**

|  |  |                          |     |          |
|--|--|--------------------------|-----|----------|
| Bill / Resolution No. :*<br><b>HB 1432, HD1</b>  | Committee Referral:<br><b>WTL/GVO, JDC/WAM</b> | Date:<br><b>03/22/22</b> |     |          |
| <input type="checkbox"/> The Committee is reconsidering its previous decision on this measure.<br>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  |
| MORIWAKI, Sharon Y. (C)  | /  |                          |     |          |
| DELA CRUZ, Donovan M. (VC)   | /  |                          |     |          |
| CHANG, Stanley   | /  |                          |     |          |
| GABBARD, Mike  | /  |                          |     |          |
| FEVELLA, Kurt  |  |                          |     | /        |
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| <b>TOTAL</b>   | <b>4</b>                                       |                          |     | <b>1</b> |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted   |  |                          |     |          |
| Chair's or Designee's Signature:<br>  |  |                          |     |          |
| <b>Distribution:</b> Original             Yellow             Pink             Goldenrod<br>File with Committee Report             Clerk's Office             Drafting Agency             Committee File Copy |  |                          |     |          |

**\*Only one measure per Record of Votes**