

Honolulu, Hawaii

FEB 08 2022

RE: S.B. No. 2108
S.D. 1

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

Sir:

Your Committee on Water and Land, to which was referred S.B. No. 2108 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase the term of a concession from fifteen to twenty-five years;
- (2) Broaden requirements to permit all types of entities to be eligible to compete for certain concessions that are exempt from sealed bid requirements; and
- (3) Provide that a county director of parks and recreation shall designate which county parks are environmentally, culturally, historically, or operationally unique for the purpose of determining whether a concession at the park is exempt from sealed bid requirements.

Your Committee received testimony in opposition to this measure from the Palekaiko Beachboys Club.

Your Committee finds that concessions on public properties are granted by sealed top-dollar bids, with limited exceptions.



In some instances, concessions may be exempt from bidding requirements because a person or entity offering the most money may not be the best suited or qualified to meet the government's goals to preserve public-owned assets such as parks, or may not be suited or qualified to serve the needs of the public. In addition, requiring concessionaires to bear construction costs pose challenges as concession contracts are valid for fifteen years, making some investors unwilling to make time or improvement efforts because of the short timeframe.

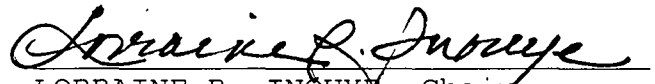
To serve the public's interest in activities located on public properties, this measure exempts certain concessionaires operating on public properties from sealed-bidding requirements and extends terms of leases from fifteen to twenty-five years.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 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. 2108, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2108, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.


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


LORRAINE R. INOUE, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:* SB 2108	Committee Referral: WTL, JDC/WAM	Date: 2/4/22		
<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
INOUYE, Lorraine R. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)				X
MISALUCHA, Bennette E.	X			
RIVIERE, Gil	X			
FEVELLA, Kurt		X		
TOTAL	3	1	0	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