

Honolulu, Hawaii

FEB 07 , 2024

RE: H.B. No. 2579
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Water & Land, to which was referred H.B. No. 2579 entitled:

"A BILL FOR AN ACT RELATING TO THE HILO COMMUNITY ECONOMIC DISTRICT,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Prohibit the Board of Land and Natural Resources from unilaterally amending the terms and conditions of any lease of public land being extended in the Hilo Community Economic District, except as provided in the authorizing law; and
- (2) Allow the Board of Land and Natural Resources to amend the terms and conditions of any lease of public land in the District to reflect the most current lease form and leasing practices and policies only if the lease form and leasing practice and policies are included in the rules of the Board.

Your Committee received testimony in support of this measure from one member of the Hawai'i County Council; Department of Research and Development of the County of Hawaii; Japanese Chamber of Commerce and Industry of Hawaii; Hawaiian Electric; and McCully



Works. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committee finds that Act 149, Session Laws of Hawaii 2018 (Act 149), established a ten-year pilot project to authorize the Board of Land and Natural Resources to extend leases of public lands in the Hilo Community Economic District and, to some extent, modify or eliminate certain lease restrictions, fixed rental periods and terms, and other lease provisions in order to facilitate improvement and economic opportunity in the District for lessees who commit to making substantial improvements to existing improvements or constructing new substantial improvements.

Your Committee further finds that the Board of Land and Natural Resources initially treated lease extensions in the District differently depending on the means of disposition but later determined that it could update certain leases to reflect the most current lease terms and conditions to implement Act 149. This measure seeks to resolve discrepancies that may have arisen from this change in practice and clarify the Board's authority to amend terms and conditions of any extension of public land leases in the District.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, 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 that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2579, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2579, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

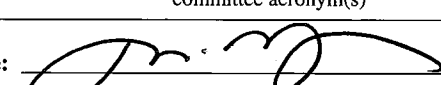


Respectfully submitted on
behalf of the members of the
Committee on Water & Land,


LINDA ICHIYAMA, Chair



Record of Votes of the Committee on Water & Land

Bill/Resolution No.: HB2579	Committee Referral: WAL, CPC, FIN	Date: 02/01/24		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
WAL Members	Ayes	Ayes (WR)	Nays	Excused
1. ICHIYAMA, Linda (C)	✓			
2. POEPOE, Mahina (VC)	✓			
3. CHUN, Cory M.	✓			
4. GANADEN, Sonny	✓			
5. HASHEM, Mark J.	✓			
6. MIZUNO, May Besario	✓			
7. MORIKAWA, Dee	✓			
8. TAKAYAMA, Gregg	✓			
9. SOUZA, Kanani	✓			
TOTAL (9)	9			
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				