

STAND. COM. REP. NO. **2321**

Honolulu, Hawaii

FEB 14 2024

RE: S.B. No. 3158
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Water and Land, to which was referred S.B. No. 3158 entitled:

"A BILL FOR AN ACT RELATING TO UPDATING PUBLIC LAND LEASES ISSUED PURSUANT TO CHAPTER 171, HAWAII REVISED STATUTES,"

begs leave to report as follows:

The purpose and intent of this measure is to require that lease extensions approved by the Board and Land and Natural Resources update the lease terms and conditions to reflect the most current standard lease form terms and conditions and ensure that in a conflict or inconsistency between an updated lease term or condition authorized under chapter 171, Hawaii Revised Statutes, and a term or condition of the lease being extended, the updated lease term or condition authorized under chapter 171, Hawaii Revised Statutes, shall control.

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

Your Committee finds that the Board of Land and Natural Resource's inability to update lease terms and conditions not only deprives the public of a fair return for the use of public lands, but also could lead to additional liability against the State and significant public health and safety issues such as when structures beyond their useful life are left on public lands at



the end of a lease. This measure will help to alleviate health and safety concerns, increase departmental revenue, and mitigate against future liability issues by allowing the Board of Land and Natural Resources to update lease terms and conditions upon extension of the lease.

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.

Your Committee notes that the Department of Land and Natural Resources shall not be required to impose current lease terms and conditions for lease extensions until this measure is enacted.

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. 3158, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3158, 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,


LORRAINE R. INOUE, Chair



