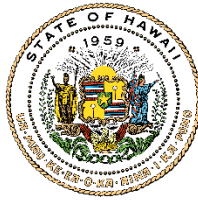


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GOVERNOR | KE KIA'ĀINA

**SYLVIA LUKE**  
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ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

**Testimony of  
DAWN N. S. CHANG  
Chairperson**

**Before the House Committee on  
JUDICIARY & HAWAIIAN AFFAIRS**

**Friday, February 23, 2024  
2:00 p.m.**

**State Capitol, Conference Room 325 & Videoconference**

**In consideration of  
HOUSE BILL 2471, HOUSE DRAFT 1  
RELATING TO INSPECTIONS ON PUBLIC LAND**

House Bill 2471, House Draft 1 proposes to establish a statutory framework for inspections of public land leases, licenses, and revocable permits by the Department of Land and Natural Resources (Department). **The Department supports this Administration bill.**

Under Chapter 171, Hawaii Revised Statutes (HRS), and the terms and conditions of the various land dispositions approved by the Board of Land and Natural Resources (Board), the Department has authority to periodically inspect the premises under lease, license, or revocable permit. However, the Department's land agents are typically not architects, engineers, or licensed contractors and may not be qualified to identify components of existing structures on the premises in need of repair or replacement. Furthermore, to the extent the Department's land agents are able to identify items requiring repair or replacement, existing lease terms and conditions do not provide the Department with sufficient leverage to compel the lessee to make the necessary repair or replacement. This is particularly problematic at the end of a long-term lease when the lessee has little incentive to invest significant funds in the upkeep of the property.

The House Investigative Committee (Committee), established under House Resolution No. 164 during the 2021 Regular Session, was tasked with, among other things, reviewing Audit Report No. 19-12 by the State Auditor, on the Department's Special Land and Development Fund. Rather than having the Department's land agents conduct the inspections, the Committee recommended that the Department require lessees to pay for third-party inspectors selected by the Department to

conduct physical inspections of the leased property every five years. The Committee further recommended that if the third-party inspector found any defaults with the lease terms, the lessee should be required to take any corrective actions recommended by the inspector.

The purpose of this bill is to establish a statutory framework for inspections of public land leases, licenses, and revocable permits. The inspections may be conducted by qualified third-party inspectors contracted by the Department but paid for by the lessee, licensee, or permittee, as applicable. If the inspection identifies items needing repair or replacement, the lessee, licensee, or permittee will be required to make the necessary repair or replacement at its expense or risk termination of its land disposition.

Mahalo for the opportunity to testify on this measure.

**HB-2471-HD-1**

Submitted on: 2/22/2024 1:04:51 AM

Testimony for JHA on 2/23/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Russell Tsuji	Department of Land and Natural Resources	Support	Remotely Via Zoom

Comments:

Written testimony from DLNR previously submitted on another Capitol account. Request for a Zoom link for additional DLNR staff testifying remotely for HB2471 HD1.