
A BILL FOR AN ACT

RELATING TO DIRECT NEGOTIATION FOR PUBLIC LAND LEASES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the public auction
2 process that is normally used to dispose of public land leases
3 has become too protracted, cumbersome, and uncertain to the
4 extent that it has deterred participation by potential lessees.
5 Therefore, the result is that properties have remained vacant,
6 generating no income and serving no public benefit.

7 The legislature also finds that expediting the leasing
8 process would potentially make properties more attractive to
9 prospective lessees, and result in the creation of a long-term
10 income stream.

11 The purpose of this Act is to expand the disposition of
12 public land leases through direct negotiation to include
13 agricultural, commercial, industrial, resort, and hotel
14 purposes.

15 SECTION 2. Section 171-59, Hawaii Revised Statutes, is
16 amended by amending subsection (b) to read as follows:



1 "(b) Disposition of public lands that do not qualify under
2 subsection (a) and that are for uses related to airline,
3 aircraft, and airport-related[7] operations; agricultural
4 processing[7]; cattle feed production[7]; aquaculture[7];
5 agriculture; commercial use; industrial use; hotels; resorts;
6 and marine, maritime, and maritime-related operations may be
7 negotiated without regard to the limitations set forth in
8 subsection (a) and section 171-16(c); provided that:

9 (1) The disposition encourages competition within the
10 ~~[aeronautical, airport-related, agricultural,~~
11 ~~aquaculture, maritime, and maritime-related~~
12 ~~operations,]~~ relevant industries;

13 (2) The disposition shall not exceed a maximum term of
14 thirty-five years, except in the case of:

15 (A) Maritime and maritime-related operations, which
16 may provide for a maximum term of seventy years;
17 and

18 (B) Aquaculture operations, which may provide for a
19 maximum term of sixty-five years; provided that
20 aquaculture operations in good standing may seek
21 to renew a lease issued under this section and,



1 during the lease term, may engage in supportive
2 activities that are related to or integrated with
3 aquaculture; [~~and~~]

4 (3) The method of disposition of public lands for cattle
5 feed production as set forth in this subsection shall
6 not apply after December 31, 1988[~~-~~]; and

7 (4) The board provides approval of the disposition.

8 For the purposes of this subsection:

9 "Agricultural processing" means the processing of
10 agricultural products, including dairying, grown, raised, or
11 produced in Hawaii.

12 "Airport-related" means a purpose or activity that requires
13 air transportation to achieve that purpose or activity; or an
14 activity that generates revenue for the airport system as
15 provided in section 261-7.

16 "Aquaculture" means the propagation, cultivation, or
17 farming of aquatic plants and animals in controlled or selected
18 environments for research, commercial, or stocking purposes,
19 including aquaponics or any growing of plants or animals with
20 aquaculture effluents.



1 "Maritime-related" means a purpose or activity that
2 requires and is directly related to the loading, off-loading,
3 storage, or distribution of goods and services of the maritime
4 industry."

5 SECTION 3. This Act does not affect rights and duties that
6 matured, penalties that were incurred, and proceedings that were
7 begun before its effective date.

8 SECTION 4. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 5. This Act shall take effect on July 1, 2024.



Report Title:

Public Land; Leases; Direct Negotiation

Description:

Authorizes disposition of public land leases for agricultural, commercial, industrial, hotel, and resort purposes through direct negotiation. (SD2)

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