

ACT 27

A Bill for an Act Relating to the Public Lands of the State of Hawaii.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of

section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

Presently, under section 103A-83, R.L.H. 1955, as amended, only those lessees of public lands who own private lands in fee simple in a disaster area which are condemned or purchased for a public purpose by a governmental agency during the first two (2) years of the terms of their leases are entitled to an option to purchase such public lands in fee simple. However, those lessees whose private lands in a disaster area were condemned or purchased prior to the commencement date of the natural disaster leases are not thereby entitled to an option to purchase the public land so leased. This situation has arisen because public lands were not available for leasing at the time persons in the latter category had their own private lands condemned or purchased—an inequity that has arisen through no fault of the persons affected. To correct this inequity, therefore, it is necessary to amend said section 103A-83. Accordingly, this Act is considered an urgency measure deemed necessary in the public interest.

SECTION 2. Section 103A-83 of the Revised Laws of Hawaii 1955, is hereby amended to read as follows:

“§ 103A-83. Option to purchase. Any owner in fee simple of private land in a disaster area who leases or who presently has a lease of public land under this part shall be entitled to an option to purchase in fee simple the public land so leased if his private land was or is condemned or purchased for a public purpose by a governmental agency at any time between the date of the natural disaster and the date of expiration of the first two years of the term of the lease to such person.

If private land in a disaster area owned at the time of the natural disaster by a lessee under this part is not condemned or purchased for a public purpose by a governmental agency at the expiration of the first two years of the term of the lease of such lessee, such person shall be entitled to an option to purchase in fee simple the public land leased under this part, provided that such lessee first offers the board a period of six months in which to exercise an option to purchase in fee simple his private land in the disaster area which he held at the time of the natural disaster. Such offer shall be made to the board by the lessee within thirty calendar days next following the first two years of the term of the lease of the lessee. The lessee shall then have a period of six months next following the board's rejection or exercise of its option in which to reject or exercise his option to purchase such public lands. The acquisition or purchase of such private lands in a disaster area by the board under this part is declared to be for a public purpose.

During the period that the board and the lessee are considering their respective options to purchase, the board shall waive the lease rental of the lessee.

Public land under lease shall be sold and such private land of the lessee shall be purchased at fair market value as determined by appraisal as set forth in section 103A-17. The fair market value shall not include the value of improvements erected by the lessee and shall

ACT 27

be determined as if the premises were not subject to the lease or to any mortgage made by the lessee.”

SECTION 3. This Act shall take effect upon its approval.
(Approved April 5, 1966.) **H.B. 474.**