ACT 49   H. B. NO. 323

A Bill for an Act Relating to Cancellation and Surrender of Leases of Public
     Lands.

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

     SECTION 1. Section 171-61, Hawaii Revised Statutes, is amended to
read:

     "Sec. 171-61 Cancellation, surrender. When public land is disposed of
with a building requirement and, thereafter, prior to the erection of the build-

ing, the land becomes or is discovered to be unfit for the erection of the building, or by change of conditions it becomes impossible or impractical to erect the building, the board of land and natural resources may cancel the disposition, repossess the land, and return to the party from the special land and development fund, notwithstanding the order of priority set forth, the aggregate amount of principal and interest theretofore paid by the party.

Whenever land or a portion thereof under lease can be re-leased or sold for a higher and better use, or for the existing use to a greater economic benefit to the State, the board, subject to the consent of the lessee, his successors, or assigns, and each holder of record having a security interest, may cancel the lease without compensation to the lessee or withdraw a portion of the land from the lease and re-lease or sell the same; provided, that in the event of withdrawal of a portion, the board may in its discretion allow a proportionate reduction in rent; and provided further, that in the event buildings and improvements have been erected by the lessee, as permitted under the lease, on the land or portion thereof under lease affected by the cancellation or withdrawal, the board shall pay to the lessee a sum not to exceed the replacement value, less depreciation at the rates used for real property tax purposes."

SECTION 2. Statutory material to be repealed is bracketed. In printing this Act, the revisor of statutes need not include the brackets or the bracketed material.*

SECTION 3. This Act shall take effect upon its approval.
(Approved May 7, 1973.)

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*Edited accordingly.