

A Bill for an Act Relating to Public Lands.

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

SECTION 1. The legislature finds that the realignment of Saddle Road on the island of Hawaii, may affect the habitat of the palila, which thrives in the mamane forests along the upper elevations of Mauna Kea. As a result, the federal government has identified a site that could provide the palila with an alternative habitat. However, the designated land is currently under long-term state leases to four cattle ranchers. To date, ongoing discussions between the department of land and natural resources and the ranchers have not resulted in any alternatives that the ranchers believe would fairly compensate them for the withdrawn lands. This has included the provisions of section 171-37(3), Hawaii Revised Statutes, which specifies reduced rents and compensation for the loss of permanent improvements.

The legislature finds that providing a statutory exception to state land leasing policies is not an appropriate solution to this problem.

Therefore, the purpose of this Act is to direct the department of land and natural resources to expedite discussions with the ranchers and to consider all means of fairly compensating them for the withdrawn lands, and to authorize the lessees to utilize ten per cent of remaining land for alternative agriculture use at no increase in the lease rent rate.

SECTION 2. The department of land and natural resources shall expedite discussions with representatives from Parker Ranch, K.K. Ranch, Inc., S.C. Corporation, and Boteilho Ent., Inc. to identify and investigate all alternatives that will:

- (1) Fairly compensate the ranchers for losses suffered as a result of the withdrawal of any leased lands; and
- (2) Avoid providing exceptions to public land leasing policies.

The department shall also authorize the lessees to utilize ten per cent of remaining land for alternative agriculture use at no increase in the lease rent rate.

The department shall submit a final report on the result of these discussions and any proposed legislation to the legislature no later than twenty days prior to the convening of the regular session of 2002.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 13, 2001.)