

EXECUTIVE CHAMBERS

HONOLULU

June 20, 2003

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 426

Honorable Members
Twenty-Second Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 426, entitled "A Bill for an Act Relating to Public Lands."

The purpose of this bill is to authorize the Department of Land and Natural Resources (DLNR) to issue new leases to the Kauai Beachfront Hotel (now known as the Aloha Beach Resort Kauai), the existing state lessee of resort properties at Wailua, Lihue, Kauai (Kauai Beachfront Leases).

This bill raises a serious policy question because it provides a special benefit to one entity that is not available to similarly situated entities. The State has a general policy, stated in section 171-14, Hawaii Revised Statutes, to award leases through public auction, thereby providing a fair opportunity for the public to bid on the lease and for the State to obtain the best deal possible.

This bill also is unnecessary in order to issue new leases on this property. Under section 171-61, Hawaii Revised Statutes, leases can be canceled and re-auctioned by the Board of Land and Natural Resources (BLNR) whenever land can be re-leased for a higher or better use or for an existing use to a greater economic benefit to the State. In fact, the BLNR took action at its meeting held on May 24, 2002, to approve the cancellation and re-auction of the Kauai Beachfront Leases.

Finally, there is a serious concern that this bill may be unconstitutional pursuant to Section 5 of Article XI of the

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State Constitution, which provides that the legislative power over the lands owned by the State and its political subdivisions shall be exercised only by general law.

For the foregoing reasons, I am returning House Bill No. 426 without my approval.

Respectfully,

LINDA LINGLE
Governor of Hawaii

P R O C L A M A T I O N

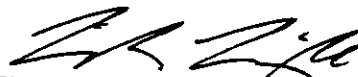
WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 426, entitled "A Bill for an Act Relating to Public Lands," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 426 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, LINDA LINGLE, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 426 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20th day
of June, 2003.



LINDA LINGLE
Governor of Hawaii