

JAN 26 2009

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# A BILL FOR AN ACT

RELATING TO LAND USE.

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

1       SECTION 1. The state finds that there are cases where  
2       lands reclassified by the land use commission to the urban  
3       district remain undeveloped for many years after the  
4       reclassification. In some cases, conditions have changed so  
5       significantly that the development proposal as originally  
6       conceived may warrant review and reconsideration. Premature  
7       urban or rural reclassification may encourage speculative land  
8       banking and creates uncertainty in the build out of planned  
9       urban or rural infrastructure.

10       The purpose of this act is to provide a use-it-or-lose-it  
11       mechanism to ensure timely initiation of planned or approved  
12       urban and rural infrastructure.

13       SECTION 2. Chapter 205, Hawaii Revised Statutes, is  
14       amended by adding a new section to be appropriately designated  
15       and read as follows:

16       "§205- Reversion of district classification. (a) In any  
17       petition for a district boundary amendment before the commission  
18       where development is proposed, the commission shall provide by

1 condition that the land subject to the petition shall  
2 automatically revert to its original classification absent  
3 substantial commencement of use of the land within ten years.  
4 The Commission shall define by condition what constitutes  
5 substantial commencement of use of the land in each case.

6 (b) The commission may grant one extension to the ten year  
7 period for a maximum of five additional years upon request by  
8 the petitioner prior to the expiration of the ten year time  
9 limit.

10 (c) The condition for automatic reversion shall not apply  
11 to any petition initiated by the state or a county for a  
12 regional boundary amendment based on a regional boundary review.

13 (d) The condition for automatic reversion shall apply to  
14 any petition accepted for filing by the commission as of the  
15 effective date of this Act and shall not apply to any petition  
16 accepted for filing by the Commission prior to the effective  
17 date of this Act.

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

19  
20 INTRODUCED BY: \_\_\_\_\_

21 BY REQUEST

**Report Title:**

Land use classifications

**Description:**

Provides for a use-it-or-lose-it automatic reversion of urban or rural district land use reclassifications if development has not commenced within ten years.

JUSTIFICATION SHEET

DEPARTMENT: Business, Economic Development, and Tourism

TITLE: A BILL FOR AN ACT RELATING TO LAND USE.

PURPOSE: The purpose of this bill is to require the State Land Use Commission to provide by condition an automatic reversion of an urban or rural land use reclassification if substantial commencement of use of the land has not occurred within ten years. Such a use-it-or-lose-it condition will deter speculative land use reclassification and ensure timely coordinated construction of urban or rural infrastructure.

MEANS: Add a new section to chapter 205, Hawaii Revised Statutes.

JUSTIFICATION: The bill requires the State Land Use Commission to impose a condition on reclassifications of land into the state urban or rural district that reverts the land to the previous land use classification if no substantial commencement of use of the land has occurred with a ten year period.

The Land Use Commission may grant one extension to the ten year period for a maximum of five additional years prior to the expiration of the ten year time limit.

This bill will reduce any financial benefit due to an increase in the value of land with entitlements without investing the on- and off-site infrastructure necessary to ensure coordinated regional development of new urban communities or rural centers.

Impact on the public: This bill will encourage developers to submit development proposals when market conditions permit the project to proceed within a ten year period.

Impact on the department and other agencies:

The bill will not increase the workload of the office of planning, the state land use commission or the county planning agencies.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: BED-103, BED-144.

OTHER AFFECTED  
AGENCIES: County planning and permitting agencies.

EFFECTIVE DATE: Upon approval.