

Honolulu, Hawaii

APR 08 2011

RE: H.B. No. 331
H.D. 2
S.D. 2

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committees on Water, Land, and Housing and Ways and Means, to which was referred H.B. No. 331, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC LANDS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Change the maximum aggregate of the initial term and any extension of certain leases of public lands from fifty-five years to sixty-five years; and
- (2) Broaden the restriction on introducing any species of aquatic life or wildlife, as defined in section 197-1, Hawaii Revised Statutes, to apply to any persons, rather than solely to the Department of Land and Natural Resources.

Prior to holding a public hearing on this measure, a proposed S.D. 2 was prepared and made available for public review. The proposed S.D. 2 retains the contents of the measure and, among other things:

- (1) Establishes a public corporation to administer a public land development program;



- (2) Authorizes the Public Land Development Corporation to manage the commercial and residential use of Ala Wai Boat Harbor; and
- (3) Makes several changes to provide resources for the repair maintenance of and improve the management of Ala Wai Boat Harbor.

Your Committees received testimony in support of this measure from Hilo Bay Printing Co., Ltd.; Independent Employers Group; McCully Works; and Alumside Products, Inc. Your Committees received testimony in opposition to this measure from the Department of the Attorney General; City and County of Honolulu, Department of Planning and Permitting; Hawaii Aquaculture and Aquaponics Association; and Ocean Tourism Coalition. Your Committees received comments on this measure from the Department of Land and Natural Resources; Department of Budget and Finance; and Office of Hawaiian Affairs.

Your Committees find that jobs and revenues can be created through a culturally-sensitive public lands development program. Creating a development arm of the Department of Land and Natural Resources and placing appropriate public lands under the new corporation's jurisdiction will put public lands to their highest and best use, while also generating jobs and revenues for the Corporation and the agencies that lease lands to the Corporation.

Pursuant to its rule-making authority, the Public Land Development Corporation may adopt rules that provide for preferential Kamaaina rates for residents of Hawaii to use and enjoy the projects that will be developed by the Corporation.

If the Board of Land and Natural Resources does not approve the transfer of development rights that are appurtenant to a property to be developed from the Department of Land and Natural Resources to the Corporation, the development rights shall not be transferred to the Corporation.

Your Committees have amended this measure by adopting the proposed S.D. 2 and further amending this measure by:

- (1) Increasing the maximum term for leases extended due to economic hardship from fifty-five years to sixty-five years in part I;



- (2) Replacing the four voting members of the Board of Directors of the Public Land Development Corporation who represent the counties with the Director of Finance, or the Director's designee; the Director of Business, Economic Development, and Tourism, or the Director's designee; and two members to be appointed by the Governor from lists of three qualified persons provided by the President of the Senate and the Speaker of the House of Representatives, respectively, in part III;
- (3) Adding the First Deputy to the Chairperson of the Board of Land and Natural Resources as an alternate designee to the Board of Directors of the Public Land Development Corporation;
- (4) Clarifying the powers of the Public Land Development Corporation in part III;
- (5) Amending provisions relating to the disposition of certain monies within the Hawaii Public Land Development Revolving Fund established pursuant to this measure;
- (6) Authorizing the transfer of development rights from the Department of Land and Natural Resources to the Corporation, under certain conditions, in part III;
- (7) Transferring to the Corporation development rights for all small boat harbors that have open contractual obligations for capital improvements to harbor facilities as of July 1, 2011; in part III;
- (8) Expanding the exemptions granted to the Public Land Development Corporation to include certain statutes, ordinances, charter provisions, and rules of any governmental agency, under certain conditions;
- (9) Deleting language in part IV of the measure, which would have:
 - (A) Placed Ala Wai Boat Harbor under the jurisdiction of the Corporation; and
 - (B) Provided for certain revenue-generating programs to support state small boat harbors and develop Ala Wai Boat Harbor;



- (10) Adopting various clarifying amendments based on testimony received from the Department of Land and Natural Resources; and
- (11) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Housing and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 331, H.D. 2, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 331, H.D. 2, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committees on Water, Land, and
Housing and Ways and Means,



DAVID Y. IGE, Chair

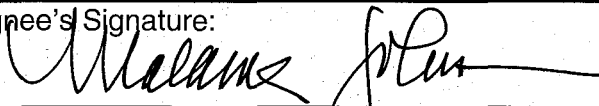


DONOVAN M. DELA CRUZ, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Water, Land, and Housing
WLH

Bill / Resolution No.:*	Committee Referral:	Date:
HB331 HD2 SD1	WLH/WAM	4-7-11
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
DELA CRUZ, Donovan M. (C)	✓	
SOLOMON, Malama (VC)	✓	
FUKUNAGA, Carol		
RYAN, Pohai	✓	
SHIMABUKURO, Maile	✓	
TOKUDA, Jill N.		
SLOM, Sam	✓	
TOTAL	5	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature: 		
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy		

*Only one measure per Record of Votes

The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

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HB 331, HD2, SD1	WLM/WAM	4-7-11
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
Nay	Excused	
IGE, David Y. (C)	✓	
KIDANI, Michelle N. (VC)	✓	
CHUN OAKLAND, Suzanne		✓
DELA CRUZ, Donovan M.	✓	
ENGLISH, J. Kalani		✓
ESPERO, Will	✓	
FUKUNAGA, Carol		✓
KIM, Donna Mercado		✓
KAHELE, Gilbert	✓	
KOUCHI, Ronald D.	✓	
RYAN, Pohai	✓	
TOKUDA, Jill N.		✓
WAKAI, Glenn		✓
SLOM, Sam	✓	
TOTAL	8	0 0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature: <div style="text-align: center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>		
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