

Testimony of Ted Yamamura

In Behalf of the Hawaii Chapter of the Appraisal Institute.

Before the Senate Committees on WATER AND LAND and JUDICIARY AND LABOR
Thursday, February 12, 2015, 8:45 AM, State Capitol, Room 16

Thank you for this opportunity to provide testimony on SB 761.

We are the authors SB 761 and would like to first thank Senator Roz Baker for introducing the Bill at our request. The intent of SB 761 is to provide clarity and consistency in the implementation of Act 168 regarding dispute resolution process in the disposition, repurchase and rent reopening of State lands while, providing the parties the option of non-binding mediation or arbitration.

There have been different interpretations and confusion among State agencies, Lessees, and appraisers regarding the process and requirements of Act 168 as currently written. There is confusion as to whether the parties must submit to non-binding mediation before arbitration as provided in HRS Chapter 658a or in existing leases. Must parties wait for the non-binding mediation process to fail before proceeding to binding arbitration? The current requirements of Act 168 results in added delays, greater risks and higher costs to the parties.

Unfortunately, in our haste to meet the deadline for bill introduction, we incorrectly used the phrase binding mediation when it should have stated non-binding mediation. Fortunately, we consulted with Russell Tsuji and Pam Matsukawa of the Department of Land and Natural Resources, Land Division, and DLNR will be providing an amended version of the Bill that more clearly and accurately outlines our intended language and procedural changes. We are fully supportive of the amendments proposed by DLNR.

Thank you.