

### A BILL FOR AN ACT

RELATING TO PUBLIC LANDS.

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

- 1 SECTION 1. The legislature has authorized the board of
- 2 land and natural resources to dispose of public lands, as
- 3 defined in section 171-13, Hawaii Revised Statutes, subject to
- 4 restrictions and procedures contained in chapter 171, Hawaii
- 5 Revised Statutes. These restrictions and procedures ensure that
- 6 any land lease, lease extension, consent to sublease, or other
- 7 disposition of public land occurs only after the public is given
- 8 notice and the opportunity to testify at an open meeting of the
- 9 board of land and natural resources.
- 10 Under the existing law, these procedures do not include
- 11 contested case hearings under chapter 91, Hawaii Revised
- 12 Statutes. Sharma v. State, 66 Haw. 632, 673 P.2d 1030 (1983).
- 13 However, recent proceedings before the board of land and natural
- 14 resources have challenged this legal principle. Accordingly,
- 15 legislation is warranted to clarify the legislature's intent
- 16 that land leases, lease extensions, consents to subleases, and

- 1 any other dispositions of public land are not subject to
- 2 contested case hearings.
- 3 A contested case hearing is a type of trial proceeding
- 4 where the rights of specific parties are adjudicated. It can
- 5 take a year or more to conduct. In contrast, a decision to
- 6 lease public lands does not adjudicate the rights of specific
- 7 parties. However, if a person has a claim to specific rights in
- 8 a parcel of state land under a proposed lease, the existing law
- 9 protects those rights in a number of ways without a contested
- 10 case hearing:
- 11 (1) The person has the right to testify in person or in
- 12 writing before the board of land and natural resources
- at a public meeting prior to the approval of any such
- lease or other disposition, and if the board of land
- and natural resources finds these claims to be valid,
- 16 it has the authority to incorporate provisions to
- 17 accommodate the person's claims.
- 18 (2) If a person has a right to exercise native Hawaiian
- rights on the property, those rights survive the
- 20 transfer from the State to a lessee. Pele Defense

l	Fund	v. Paty,	73	Haw.	578,	614,	837	P.2d	1247,	1268,
2	n.26	(1992).								

- 3 (3) Any change in the use of state lands triggers chapter 4 343, Hawaii Revised Statutes, and unless the change is 5 insignificant, will trigger the requirement for an 6 environmental assessment or environmental impact 7 statement. Changes in the use of sensitive lands, 8 such as conservation lands or shoreline areas, 9 typically involve land use permits, such as **10** conservation district use permits or special 11 management area permits, which require a comprehensive 12 consideration of the environmental and cultural 13 effects of the proposed change. Notice of the change 14 and the opportunity for the public to testify are also 15 required.
- The purpose of this Act is to expressly declare the intent of the legislature that land leases and any other dispositions of public land are not subject to contested case hearings.
- 19 SECTION 2. Section 171-13, Hawaii Revised Statutes, is 20 amended to read as follows:

1	"§171-13 Disposition of public lands. Except as otherwise							
2	provided by law and subject to other provisions of this chapter,							
3	the board may:							
4	(1) Dispose of public land in fee simple, by lease, lease							
5	with option to purchase, license, or permit; and							
6	(2) Grant easement by direct negotiation or otherwise for							
7	particular purposes in perpetuity on such terms as may							
8	be set by the board, subject to reverter to the State							
9	upon termination or abandonment of the specific							
10	purpose for which it was granted, provided the sale							
11	price of such easement shall be determined pursuant to							
12	section 171-17(b).							
13	No person shall be eligible to purchase or lease public lands,							
14	or to be granted a license, permit, or easement covering public							
15	lands, who has had during the five years preceding the date of							
16	disposition a previous sale, lease, license, permit, or easement							
17	covering public lands canceled for failure to satisfy the terms							
18	and conditions thereof. Notwithstanding any other provision of							
19	law, no contested case hearing shall be required for a lease,							
20	lease extension, consent to sublease, or any other disposition							
21	of public lands."							

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- 1 SECTION 3. If any provision of this Act, or the
- 2 application thereof to any person or circumstance, is held
- 3 invalid, the invalidity does not affect other provisions or
- 4 applications of the Act that can be given effect without the
- 5 invalid provision or application, and to this end the provisions
- 6 of this Act are severable.
- 7 SECTION 4. New statutory material is underscored.
- 8 SECTION 5. This Act shall take effect upon its approval.

INTRODUCED BY:

Bears Bur

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JAN 2 4 2017

### Report Title:

Disposition of Public Lands; Contested Case Hearings

### Description:

Declares the intent of the legislature that a contested case hearing shall not be required for land leases, lease extensions, consents to subleases, or any other dispositions of public land.

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