

STAND. COM. REP. NO.

144

Honolulu, Hawaii

February 9, 2017

RE: H.B. No. 575
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Water & Land, to which was referred H.B. No. 575 entitled:

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

begs leave to report as follows:

The purpose of this measure is to serve the public use and public purpose of state lands used for commercial purposes by authorizing the Board of Land and Natural Resources (Board) to authorize the extension of commercial, hotel, resort, and industrial leases for the lessees' substantial improvement to the leased premises.

The County of Hawaii; a County of Hawaii Council Member; The Chamber of Commerce Hawaii; Big Island Toyota; International Longshore and Warehouse Union Local 142; Hawaii Island Realtors; McCully Works; Kanoelehua Industrial Area Association; Chika Nakano Repair Shop; Hawaii Planing Mill, Ltd.; Hawaii Electric Light Company; Japanese Chamber of Commerce & Industry of Hawaii; and numerous concerned individuals supported this measure. The Department of Land and Natural Resources provided comments.

Your Committee has amended this measure by:

- (1) Specifying that the Board may extend a lease term of public lands for commercial, hotel, resort, or industrial use in the Banyan Drive and Kanoelehua industrial areas of Hilo, Hawaii;

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- (2) Clarifying that the minimum revised annual rent is to be determined based on a percentage of rent where gross receipts exceed a specified amount for a ten-year period;
- (3) Limiting the extension of a lease for substantial improvements to fifteen years;
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style; and
- (5) Changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Water & Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 575, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 575, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Water & Land,


RYAN I. YAMANE, Chair



