STAND. COM. REP. NO. 115

Honolulu, Hawaii Februard , 2019

RE: H.B. No. 1025 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2019 State of Hawaii

Sir:

Your Committee on Water, Land, & Hawaiian Affairs, to which was referred H.B. No. 1025 entitled:

"A BILL FOR AN ACT RELATING TO LEASE EXTENSIONS ON PUBLIC LAND,"

begs leave to report as follows:

The purpose of this measure is to authorize the Board of Land and Natural Resources to extend existing leases of public land for commercial, industrial, or resort use; provided that the lease has not been sold or assigned within the past twenty years and subject to Board approval of the lessee's development plan for substantial improvements.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources. McCully Works submitted comments on this measure.

Your Committee has amended this measure by:

(1) Making leases held by any department or agency of the State or a county, other than the University of Hawaii or any department, agency, or attached entity of the University of Hawaii system, eligible for extension pursuant to this measure;



STAND. COM. REP. NO. 15 Page 2

- (2) Amending eligibility for a lease extension pursuant to this measure to include leases that have not been assigned or transferred within the last five years;
- (3) Deleting the prohibition on transfer or assignment of leases during the extension period and specifying that leases may be subleased during the extension period, subject to Board approval;
- (4) Deleting language requiring that lease extensions be effectuated, documented, and executed pursuant to the most current lease forms and leasing practices of the Board;
- (5) Amending the criteria for substantial improvements required as a condition of eligibility for a lease extension to require that the cost of substantial improvements equal or exceed thirty percent of the market value of existing improvements;
 - (6) Changing its effective date to July 1, 2050 to encourage further discussion;
 - (7) Extending the sunset date to June 30, 2029; and
 - (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1025, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1025, H.D. 1, and be referred to your Committee on Judiciary.

HB1025 HD1 HSCR WLH HMS 2019-1642

STAND. COM. REP. NO. 15 Page 3

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

MANE, Chair



State of Hawaii House of Representatives The THIRTIETH Legislature

HSCR115

Record of Votes of the Committee on Water, Land, & Hawaiian Affairs

Bill/Resolution No.: HB 1025 Committee Referral: WLH, JU			FIN Date	02/01	119
The committee is reconsidering its previous decision on the measure.					
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit) 					
WLH Men	nbers	Ayes	Ayes (WR)	Nays	Excused
1. YAMANE, Ryan I. (C	<u>;</u>)				
2. TODD, Chris (VC)		~			
3. HAR, Sharon E.					V
4. LOWEN, Nicole E.		~			
5. TARNAS, David A.					
6. WILDBERGER, Tina					
7. THIELEN, Cynthia					
		· · · · · · · · · · · · · · · · · · ·			
	·				
TOTAL	(7)	5	0	D	2
The recommendation is: Adopted If joint referral, did not support recommendation.					
Vice Chair's or designee's signature:					
Distribution: Original (White	e) – Committee Du	uplicate (Yellow) -	Chief Clerk's Office	Duplicate (P	ink) – HMSO