
A BILL FOR AN ACT

RELATING TO PUBLIC LANDS.

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

1 PART I

2 SECTION 1. The legislature finds that because of the
3 policies guiding the management of public lands with commercial,
4 industrial, resort, and hotel uses, there has been little
5 incentive for lessees to make major improvements to their
6 infrastructure, resulting in the deterioration of infrastructure
7 and facilities. The lack of improvements in many of these areas
8 has resulted in dilapidation, deterioration, or obsolescence of
9 buildings and structures.

10 The department of land and natural resources has the
11 responsibility of planning for the disposition of commercial,
12 industrial, and hotel and resort classes of public lands to
13 determine specific uses, the minimum sizes of parcels, required
14 building construction or improvements, and lease terms and
15 requirements.

16 The legislature finds that the rejuvenation of public lands
17 that have become dilapidated or obsolete or have deteriorated



1 over time is in the public interest and constitutes a valid
2 public purpose.

3 The purpose of this Act is to authorize the designation of
4 areas or regions of public lands classified as commercial and
5 industrial use; hotel, apartment, and motel use; or resort use
6 and the establishment and implementation of guidelines for the
7 redevelopment of the areas or regions that will:

- 8 (1) Modernize policies for the management of public lands
9 in the designated area;
- 10 (2) Establish a plan for the designated area, including
11 district-wide improvements, that is coordinated with
12 state and county land use and planning policies; and
- 13 (3) Implement asset and property management concepts that
14 can optimize income from the properties and evolve in
15 response to changing principles of property
16 administration.

17 PART II

18 SECTION 2. Chapter 171, Hawaii Revised Statutes, is
19 amended by adding a new part to be appropriately designated and
20 to read as follows:



1 **"PART . PUBLIC LANDS REDEVELOPMENT**

2 **§171-A Definitions.** As used in this part, unless the
3 context requires otherwise:

4 "Planning committee" or "committee" means the policy-making
5 committee established for a redevelopment district pursuant to
6 section 171-C.

7 "Premises" means the property that is being leased or
8 rented in a designated district.

9 "Public facilities" include streets and highways, storm
10 drainage systems, water systems, street lighting systems, off-
11 street parking facilities, and sanitary sewerage systems.

12 "Redevelopment district" or "designated district" means an
13 area of public lands designated for redevelopment pursuant to
14 section 171-B.

15 **§171-B Designation of redevelopment district; boundaries;**
16 **transfer to the committee.** (a) The legislature shall designate
17 redevelopment districts by law for any area of public lands
18 classified as commercial and industrial; hotel, apartment, and
19 motel; or resort use pursuant to section 171-10, if the
20 legislature determines that there is a need for planning,
21 development, or redevelopment because the buildings and



1 infrastructures in the area are dilapidated or have deteriorated
2 due to age or obsolescence.

3 (b) The designation shall specify the boundaries of the
4 redevelopment district.

5 (c) The law designating the redevelopment district shall
6 transfer the management of the public lands within the district
7 to the planning committee for the designated district; provided
8 that any lessee or permittee within the designated district
9 shall perform in full compliance with the existing lease or
10 permit.

11 (d) All rules, policies, procedures, guidelines, leases,
12 contracts, loans, agreements, permits, and other materials and
13 documents adopted or developed by the department of land and
14 natural resources to implement applicable state laws shall
15 remain in full force and effect until amended or repealed by the
16 committee.

17 **§171-C Planning committee; members; district**

18 **administrator; repeal.** (a) Upon the designation of a
19 redevelopment district pursuant to section 171-B, a planning
20 committee for the designated district shall be established
21 within the department for administrative purposes.



1 (b) The committee shall be an executive committee for the
2 designated district and shall consist of nine voting members.

3 The committee shall consist of:

4 (1) The chairperson of the board of land and natural
5 resources and the director of planning of the county
6 in which the designated district is located, or their
7 designated representatives, who shall be ex officio
8 members; and

9 (2) Seven members of the public appointed by the governor
10 pursuant to section 26-34; provided that of the
11 members appointed pursuant to this paragraph:

12 (A) Two members shall be selected from a list of
13 three names for each nomination submitted by the
14 president of the senate and two members shall be
15 selected from a list of three names for each
16 nomination submitted by the speaker of the house
17 of representatives, in collaboration with the
18 legislators from the county in which the
19 designated district is located; provided further
20 that the governor shall select a name no later
21 than days after receipt of each list;



1 (B) Three members appointed by the governor pursuant
2 to section 26-34; provided that:

3 (i) One member shall represent the business
4 sector within the designated district;

5 (ii) One member shall have experience and
6 expertise in the area of Hawaiian cultural
7 practices; and

8 (iii) One member shall be a member of the public
9 and a resident of the county in which the
10 designated district is located;

11 provided further that the governor shall appoint
12 these members no later than days after
13 designation of the redevelopment district; and

14 (C) The seven members of the public shall have
15 expertise in the development of commercial,
16 industrial, resort, and hotel lands as well as
17 expertise in at least one of the following areas
18 and shall be selected on the basis of their
19 knowledge, experience, and expertise in:

20 (i) Management of small or large businesses;

21 (ii) Economics, banking, investment, or finance;



1 (iii) Real estate development;

2 (iv) Real estate management;

3 (v) Marketing;

4 (vi) Hawaiian cultural practices; or

5 (vii) Hotel and resort management;

6 provided further that of the seven members of the
7 public, three members shall be residents of the county
8 in which the designated district is located and all
9 members shall be residents of the State.

10 (c) The committee shall elect its chairperson from among
11 its members of the public.

12 (d) The members of the committee shall serve without
13 compensation but shall be reimbursed for reasonable expenses,
14 including travel expenses, incurred in the performance of their
15 duties. This subsection shall not be construed to prohibit the
16 ex officio members of the committee from receiving their
17 salaries and wages for their work as public officials.

18 (e) The committee shall appoint a district administrator,
19 who shall be the chief executive officer for the designated
20 district. The district administrator shall have expertise in
21 the development of commercial, industrial, resort, or hotel



1 lands as well as expertise in at least one of the following
2 areas and shall be selected on the basis of the person's
3 knowledge, experience, and expertise in management of small or
4 large businesses; economics, banking, investment, or finance;
5 real estate development; real estate management; law; marketing;
6 or hotel and resort management. The committee shall set the
7 district administrator's duties, responsibilities, holidays,
8 vacations, leaves, hours of work, and working conditions. The
9 committee shall set the salary of the district administrator,
10 who shall serve at the pleasure of the committee and shall be
11 exempt from chapter 76.

12 (f) The committee shall be dissolved upon the completion
13 of the redevelopment project.

14 **§171-D Powers and duties; generally; exemption from**
15 **administrative supervision of boards and commissions.** (a) The
16 committee shall have the following powers and duties:

17 (1) Through its district administrator, appoint staff and
18 employees, prescribe their duties and qualifications,
19 and fix their salaries, without regard to chapter 76;



- 1 (2) Through its district administrator:
- 2 (A) Allocate space or spaces that are to be occupied
- 3 by the committee and appropriate staff; and
- 4 (B) Purchase necessary supplies, equipment, or
- 5 furniture;
- 6 (3) Prepare a redevelopment plan for the designated
- 7 district that shall be submitted to the board for
- 8 review and approval;
- 9 (4) Notwithstanding any other law to the contrary, lease
- 10 public lands in a designated district and renew or
- 11 renegotiate any lease in connection with any project
- 12 contained in the redevelopment plan for the designated
- 13 district, on terms and conditions pursuant to section
- 14 171-E and consistent with the redevelopment plan;
- 15 (5) Prepare or cause to be prepared plans, design
- 16 criteria, landscaping, and estimates of costs for the
- 17 construction, rehabilitation, or repair of any project
- 18 contained in the redevelopment plan for the designated
- 19 district, and from time to time to modify the plans,
- 20 or estimates;



- 1 (6) Conduct studies in conjunction with county and state
2 agencies necessary to determine the appropriate
3 activities for redevelopment in the designated
4 district;
- 5 (7) Reduce or waive the lease rental on any lease of
6 public land for any project in the designated district
7 that requires substantial improvements; provided that
8 the reduction or waiver shall not exceed one year;
- 9 (8) Make and execute all contracts and instruments
10 necessary for the exercise of its powers and functions
11 relating to the designated district, including
12 engaging of the services of consultants for rendering
13 of professional and technical assistance and advice;
- 14 (9) Enter into a development agreement with a developer or
15 developers for any project contained in the
16 redevelopment plan; provided that the development
17 agreement shall contain:
- 18 (A) A description of the location, area, and size of
19 the parcel to be developed;
- 20 (B) The use or uses to which the parcel shall be put
21 in conformance with the redevelopment plan and



- 1 with applicable state and county laws and
2 ordinances;
- 3 (C) The period of time for the construction and
4 completion of the redevelopment; and
- 5 (D) Other terms and conditions that the committee
6 deems necessary;
- 7 (10) Work closely and communicate with the county to
8 coordinate the execution of the designated district's
9 planning, incremental projects, work schedules, public
10 works, and budget; and
- 11 (11) Do any and all things necessary to carry out its
12 purposes and exercise the powers given and granted in
13 this part.
- 14 (b) Notwithstanding any law to the contrary, the committee
15 shall be exempt from section 26-35(a)(1), (4), (5), and (6).
- 16 **§171-E District redevelopment plan.** (a) The committee
17 shall prepare a redevelopment plan for the designated district,
18 including district development policies, the district
19 improvement program, necessary public facilities, and the
20 development guidelines and rules for the designated district.
21 In carrying out its planning activities, the committee shall



1 comply with chapter 205A and applicable county building and
2 zoning ordinances.

3 (b) The committee shall prepare a redevelopment plan for
4 the designated district that:

5 (1) Establishes, if applicable, areas principally for:

6 (A) Commercial activities;

7 (B) Processing, construction, manufacturing,
8 transportation, wholesaling, storage, and similar
9 industrial activities;

10 (C) Resort and hotel activities, including uses that
11 provide facilities and services for visitors; and

12 (D) Public facilities and recreational facilities,
13 with detailed standards for height, bulk, size,
14 and location of buildings;

15 (2) Includes a district-wide improvement program for
16 necessary district-wide public facilities within the
17 designated district;

18 (3) Includes plans, specifications, and estimates of the
19 costs for the development, construction,
20 reconstruction, or improvement of any project in the



- 1 designated district, and from time to time modify the
2 plans, specifications, or estimates;
- 3 (4) If possible, identifies specific uses for areas in the
4 designated district and the required parceling of land
5 into minimum size areas related to the specific uses;
- 6 (5) Determines the lease rental that should be established
7 for the specific uses and the terms and conditions of
8 the leases;
- 9 (6) Establishes interim development controls to be
10 implemented during the transition to the execution of
11 the provisions of the redevelopment plan, such as
12 recommending the holdover of a lessee pursuant to
13 section 171-40 or issuance of permits pursuant to
14 section 171-55 to existing lessees upon the expiration
15 of their lease terms; and
- 16 (7) Allows the use of land or any building existing on the
17 date the redevelopment plan is adopted to continue as
18 a nonconforming use; provided that the nonconforming
19 building shall not be replaced, expanded, or changed
20 to another nonconforming use.



1 (c) The district redevelopment plan may provide for the
2 withdrawal or taking for public purposes of public land or
3 portion of public land under a lease. The rental shall be
4 reduced in proportion to the value of the portion of the
5 premises condemned, and the lessee shall be entitled to receive
6 the proportionate value of the permanent improvements legally
7 made to or constructed upon the land by the lessee taken in the
8 proportion that it bears to the unexpired term of the lease.

9 (d) Prior to adoption, the committee shall hold a public
10 hearing on a proposed redevelopment plan for the designated
11 district and shall consider the comments received and
12 incorporate any revisions to the plan that may be necessary.

13 (e) The committee shall submit an annual report on the
14 progress of the redevelopment project to the board. The report
15 may include the redevelopment plan recommended by the committee
16 with its recommendations for appropriations by the legislature
17 or the authorization of bonds or both, to implement the
18 redevelopment plan in a timely manner. The board shall review
19 and approve the recommended redevelopment plan and shall submit
20 the report to the governor and the legislature with a request
21 for the required appropriations and bond authorization.



1 **§171-F Designated redevelopment district revolving fund.**

2 (a) A separate revolving fund shall be established for each
3 redevelopment district designated pursuant to section 171-B,
4 into which shall be deposited:

5 (1) Fifty per cent of the revenues, income, and receipts
6 of the department from the public lands in the
7 designated district, notwithstanding section 171-19;

8 (2) Moneys appropriated by the legislature to the
9 revolving fund; and

10 (3) Any gifts, grants, and other funds accepted by the
11 committee.

12 Each revolving fund shall bear the name used by the legislature
13 in designating the redevelopment district.

14 (b) Moneys in each designated redevelopment district
15 revolving fund shall be expended by the committee and used in
16 the designated district for the purposes of this part; provided
17 that no expenditure shall be made from the fund and no
18 obligation shall be incurred against the fund in excess of the
19 amount standing to the credit of the fund.

20 (c) After the committee is dissolved, the unencumbered
21 balance remaining in the corresponding redevelopment district



1 revolving fund shall be transferred to the special land and
2 development fund established pursuant to section 171-19."

3 PART III

4 SECTION 3. The legislature designates the public lands on
5 the Waiakea peninsula on the island of Hawaii as the Waiakea
6 peninsula redevelopment district.

7 SECTION 4. The Waiakea peninsula redevelopment district
8 shall include the area bounded by the shoreline from the
9 intersection of Lihikai street and Kamehameha avenue; Kamehameha
10 avenue to its intersection with Kalaniana'ole avenue;
11 Kalaniana'ole avenue to its intersection with Banyan way; Banyan
12 way from its intersection with Kalaniana'ole avenue to its
13 intersection with Banyan drive; from the intersection of Banyan
14 way and Banyan drive to the shoreline; the shoreline around the
15 Waiakea peninsula, including Mokuola island, to the intersection
16 of Lihikai street and Kamehameha avenue.

17 SECTION 5. There is established a Waiakea peninsula
18 redevelopment district planning committee. The committee shall
19 be appointed as provided in section 171-C, Hawaii Revised
20 Statutes, and shall exercise the powers and duties in the
21 designated district as authorized by chapter 171, part ,



1 Hawaii Revised Statutes. Pursuant to section 171-B(c), Hawaii
2 Revised Statutes, the public lands within the Waiakea peninsula
3 redevelopment district are transferred to the Waiakea peninsula
4 redevelopment district planning committee.

5 SECTION 6. There is established the Waiakea peninsula
6 redevelopment district revolving fund, into which shall be
7 deposited:

- 8 (1) Fifty per cent of the revenues, income, and receipts
9 from the public lands in the Waiakea peninsula
10 redevelopment district;
- 11 (2) Moneys appropriated by the legislature to the
12 revolving fund; and
- 13 (3) Any gifts, grants, and other funds accepted by the
14 Waiakea peninsula redevelopment district planning
15 committee.

16 The moneys in the revolving fund shall be used in the Waiakea
17 peninsula redevelopment district for the purposes described in
18 chapter 171, part , Hawaii Revised Statutes.

19 PART IV

20 SECTION 7. Section 171-6, Hawaii Revised Statutes, is
21 amended to read as follows:



1 **"§171-6 Powers.** Except as otherwise provided by law, the
2 board of land and natural resources shall have the powers and
3 functions granted to the heads of departments and the board of
4 land and natural resources under chapter 26.

5 In addition to the foregoing, the board may:

- 6 (1) Adopt a seal;
- 7 (2) Administer oaths;
- 8 (3) Prescribe forms of instruments and documents;
- 9 (4) Adopt rules which, upon compliance with chapter 91,
10 shall have the force and effect of law;
- 11 (5) Set, charge, demand, and collect reasonable fees for
12 the preparation of documents to be issued, for the
13 surveying of public lands, and for the issuing of
14 certified copies of its government records, which
15 fees, when collected, shall be deposited into the
16 state general fund, unless otherwise specified in this
17 chapter;
- 18 (6) Establish additional restrictions, requirements, or
19 conditions, not inconsistent with those prescribed in
20 this chapter, relating to the use of particular land
21 being disposed of, the terms of sale, lease, license,



1 or permit, and the qualifications of any person to
2 draw, bid, or negotiate for public land;

3 (7) Reduce or waive the lease rental at the beginning of
4 the lease on any lease of public land to be used for
5 any agricultural or pastoral use, or for resort,
6 commercial, industrial, or other business use where
7 the land being leased requires substantial
8 improvements to be placed thereon; provided that such
9 reduction or waiver shall not exceed two years for
10 land to be used for any agricultural or pastoral use,
11 or exceed one year for land to be used for resort,
12 commercial, industrial, or other business use;
13 provided further that if a lease for resort,
14 commercial, industrial, other business, or residential
15 purposes requires a lessee to demolish existing
16 improvements or provide basic infrastructure,
17 including drainage, sewer, water, electricity, and
18 other utilities before the lessee can make productive
19 use of the land, the board may approve a reduction or
20 waiver of lease rental for a period of up to twenty
21 years that shall not exceed the amount of the lessee's



1 total expenditures for demolition or provision of the
2 infrastructure;

3 (8) Delegate to the chairperson or employees of the
4 department of land and natural resources, subject to
5 the board's control and responsibility, such powers
6 and duties as may be lawful or proper for the
7 performance of the functions vested in the board;

8 (9) Use arbitration under chapter 658A to settle any
9 controversy arising out of any existing or future
10 lease;

11 (10) Set, charge, and collect reasonable fees in an amount
12 sufficient to defray the cost of performing or
13 otherwise providing for the inspection of activities
14 permitted upon the issuance of a land license
15 involving a commercial purpose;

16 (11) Appoint masters or hearing officers to conduct public
17 hearings as provided by law and under such conditions
18 as the board by rules shall establish;

19 (12) Bring such actions as may be necessary to remove or
20 remedy encroachments upon public lands. Any person
21 causing an encroachment upon public land shall:



- 1 (A) Be fined not more than \$1,000 a day for the first
- 2 offense;
- 3 (B) Be fined not less than \$1,000 nor more than
- 4 \$4,000 per day upon the second offense and
- 5 thereafter;
- 6 (C) If required by the board, restore the land to its
- 7 original condition if altered and assume the
- 8 costs thereof;
- 9 (D) Assume such costs as may result from adverse
- 10 effects from such restoration; and
- 11 (E) Be liable for administrative costs incurred by
- 12 the department and for payment of damages;
- 13 (13) Set, charge, and collect interest and a service charge
- 14 on delinquent payments due on leases, sales, or other
- 15 accounts. The rate of interest shall not exceed one
- 16 per cent a month and the service charge shall not
- 17 exceed \$50 a month for each delinquent payment;
- 18 provided that the contract shall state the interest
- 19 rate and the service charge and be signed by the party
- 20 to be charged;



- 1 (14) Set, charge, and collect additional rentals for the
2 unauthorized use of public lands by a lessee,
3 licensee, grantee, or permittee who is in violation of
4 any term or condition of a lease, license, easement,
5 or revocable permit, retroactive to the date of the
6 occurrence of the violation. Such amounts shall be
7 considered delinquent payments and shall be subject to
8 interest and service charges as provided in paragraph
9 (13);
- 10 (15) Set, charge, and collect reasonable fines for
11 violation of this chapter or any rule adopted
12 thereunder. Any person engaging in any prohibited use
13 of public lands or conducting any prohibited activity
14 on public lands, or violating any of the other
15 provisions of this chapter or any rule adopted
16 thereunder, for which violation a penalty is not
17 otherwise provided, shall be:
- 18 (A) Fined not more than \$5,000 per violation for a
19 first violation or a violation beyond five years
20 of the last violation; provided that, after
21 written or verbal notification from the



1 department, an additional \$1,000 per day per
2 violation may be assessed for each day in which
3 the violation persists;

4 (B) Fined not more than \$10,000 per violation for a
5 second violation within five years of the last
6 violation; provided that, after written or verbal
7 notification from the department, an additional
8 \$2,000 per day per violation may be assessed for
9 each day in which the violation persists;

10 (C) Fined not more than \$20,000 per violation for a
11 third or subsequent violation within five years
12 of the last violation; provided that, after
13 written or verbal notification from the
14 department, an additional \$4,000 per day per
15 violation may be assessed for each day in which
16 the violation persists; and

17 (D) Liable for administrative costs and expenses
18 incurred by the department and for payment for
19 damages, including but not limited to natural
20 resource damages.



1 In addition to the fines, administrative costs, and
2 damages provided for hereinabove, for damage to or
3 theft of natural resources, the board may also set,
4 charge, and collect a fine that, in its discretion, is
5 appropriate considering the value of the natural
6 resource that is damaged or the subject of the theft.
7 In arriving at an appropriate fine, the board may
8 consider the market value of the natural resource
9 damaged or taken and any other factor it deems
10 appropriate, such as the loss of the natural resource
11 to its natural habitat and environment and the cost of
12 restoration or replacement. The remedies provided for
13 in this paragraph are cumulative and in addition to
14 any other remedies allowed by law.

15 No person shall be sanctioned pursuant to this section
16 for the exercise of native Hawaiian gathering rights
17 and traditional cultural practices as authorized by
18 law or as permitted by the department pursuant to
19 article XII, section 7, of the Hawaii state
20 constitution;



- 1 (16) Issue revenue bonds, subject to the approval of the
2 legislature. All revenue bonds shall be issued
3 pursuant to part III of chapter 39, except as provided
4 in this chapter. All revenue bonds shall be issued in
5 the name of the department and not in the name of the
6 State. The final maturity date of the revenue bonds
7 may be any date not exceeding thirty years from the
8 date of issuance;
- 9 (17) Pledge or assign all or any part of the receipts and
10 revenues of the department. The revenue bonds shall
11 be payable from and secured solely by the revenue
12 derived by the department from the industrial park or
13 parks for which the bonds are issued;
- 14 (18) Reimburse the state general fund for debt service on
15 general obligation bonds or reimbursable general
16 obligation bonds issued by the State for purposes of
17 this chapter;
- 18 (19) Notwithstanding part II of chapter 205A to the
19 contrary, plan, design, construct, operate, and
20 maintain any lands or facilities under the
21 jurisdiction of the division of boating and ocean



1 recreation of the department without the need to
2 obtain a special management area minor permit or
3 special management area use permit; and

4 (20) Do any and all things necessary to carry out its
5 purposes and exercise the powers granted in this
6 chapter."

7 PART V

8 SECTION 8. Chapter 171, Hawaii Revised Statutes, is
9 amended by adding a new section to part I to be appropriately
10 designated and to read as follows:

11 **"§171- Development of public lands in a redevelopment**
12 **area.** (a) Notwithstanding any provision of law to the
13 contrary, a local redevelopment agency created pursuant to
14 section 53-2, with the prior approval of the council of the
15 applicable county, approval of the governor, and authorization
16 of the legislature by concurrent resolution, may negotiate a
17 development agreement with a developer for commercial, business,
18 or hotel or resort uses on public lands within a redevelopment
19 area according to a redevelopment plan adopted by the local
20 redevelopment agency pursuant to chapter 53.



- 1 (b) The development agreement shall provide for the
2 leasehold disposition of the land and shall:
- 3 (1) Describe the land subject to the development
4 agreement, including the location, area, and size of
5 the land;
- 6 (2) Specify the permitted use or uses for the land;
- 7 (3) Require that the permitted use or uses conform with
8 all applicable state and county laws and ordinances;
- 9 (4) Include the start and completion dates of construction
10 negotiated with the developer;
- 11 (5) Specify the on-site and off-site improvements involved
12 with the development;
- 13 (6) Provide the lease commencement and termination dates
14 and rent requirements of the land specified in the
15 development agreement; and
- 16 (7) Include any other terms or conditions determined to be
17 necessary by the local redevelopment agency."

18 SECTION 9. Chapter 237, Hawaii Revised Statutes, is
19 amended by adding a new section to be appropriately designated
20 and to read as follows:

1 "§237- Redevelopment project. (a) This chapter shall
2 not apply to amounts received from the construction of work or
3 improvements of a redevelopment project.

4 (b) For the purposes of this section:

5 "Construction of work or improvements of a redevelopment
6 project" includes any costs of design, engineering, labor, and
7 materials associated with the demolition and construction of a
8 redemption project that is part of the redemption plan
9 adopted by a local redemption agency pursuant to chapter 53.

10 "Redemption project" shall have the same meaning as
11 defined in section 53-1."

12 SECTION 10. Section 238-1, Hawaii Revised Statutes, is
13 amended by amending the definition of "use" to read as follows:

14 ""Use" (and any nounal, verbal, adjectival, adverbial, and
15 other equivalent form of the term) herein used interchangeably
16 means any use, whether the use is of such nature as to cause the
17 property, services, or contracting to be appreciably consumed or
18 not, or the keeping of the property or services for such use or
19 for sale, the exercise of any right or power over tangible or
20 intangible personal property incident to the ownership of that
21 property, and shall include control over tangible or intangible



1 property by a seller who is licensed or who should be licensed
2 under chapter 237, who directs the importation of the property
3 into the State for sale and delivery to a purchaser in the
4 State, liability and free on board (FOB) to the contrary
5 notwithstanding, regardless of where title passes, but the term
6 "use" shall not include:

7 (1) Temporary use of property, not of a perishable or
8 quickly consumable nature, where the property is
9 imported into the State for temporary use (not sale)
10 therein by the person importing the same and is not
11 intended to be, and is not, kept permanently in the
12 State. For example, without limiting the generality
13 of the foregoing language:

14 (A) In the case of a contractor importing permanent
15 equipment for the performance of a construction
16 contract, with intent to remove, and who does
17 remove, the equipment out of the State upon
18 completing the contract;

19 (B) In the case of moving picture films imported for
20 use in theaters in the State with intent or under



- 1 contract to transport the same out of the State
2 after completion of such use; and
- 3 (C) In the case of a transient visitor importing an
4 automobile or other belongings into the State to
5 be used by the transient visitor while therein
6 but which are to be used and are removed upon the
7 transient visitor's departure from the State;
- 8 (2) Use by the taxpayer of property acquired by the
9 taxpayer solely by way of gift;
- 10 (3) Use which is limited to the receipt of articles and
11 the return thereof, to the person from whom acquired,
12 immediately or within a reasonable time either after
13 temporary trial or without trial;
- 14 (4) Use of goods imported into the State by the owner of a
15 vessel or vessels engaged in interstate or foreign
16 commerce and held for and used only as ship stores for
17 the vessels;
- 18 (5) The use or keeping for use of household goods,
19 personal effects, and private automobiles imported
20 into the State for nonbusiness use by a person who:



- 1 (A) Acquired them in another state, territory,
2 district, or country;
- 3 (B) At the time of the acquisition was a bona fide
4 resident of another state, territory, district,
5 or country;
- 6 (C) Acquired the property for use outside the State;
7 and
- 8 (D) Made actual and substantial use thereof outside
9 this State;
- 10 provided that as to an article acquired less than
11 three months prior to the time of its importation into
12 the State it shall be presumed, until and unless
13 clearly proved to the contrary, that it was acquired
14 for use in the State and that its use outside the
15 State was not actual and substantial;
- 16 (6) The leasing or renting of any aircraft or the keeping
17 of any aircraft solely for leasing or renting to
18 lessees or renters using the aircraft for commercial
19 transportation of passengers and goods or the
20 acquisition or importation of any such aircraft or
21 aircraft engines by any lessee or renter engaged in



1 interstate air transportation. For purposes of this
2 paragraph, "leasing" includes all forms of lease,
3 regardless of whether the lease is an operating lease
4 or financing lease. The definition of "interstate air
5 transportation" is the same as in 49 U.S.C. 40102;

6 (7) The use of oceangoing vehicles for passenger or
7 passenger and goods transportation from one point to
8 another within the State as a public utility as
9 defined in chapter 269;

10 (8) The use of material, parts, or tools imported or
11 purchased by a person licensed under chapter 237 which
12 are used for aircraft service and maintenance, or the
13 construction of an aircraft service and maintenance
14 facility as those terms are defined in section
15 237-24.9;

16 (9) The use of services or contracting imported for resale
17 where the contracting or services are for resale,
18 consumption, or use outside the State pursuant to
19 section 237-29.53(a); [~~and~~]

20 (10) The use of property, services, or contracting imported
21 by foreign diplomats and consular officials who are



1 holding cards issued or authorized by the United
2 States Department of State granting them an exemption
3 from state taxes[-]; and

4 (11) The use of material, parts, or tools imported or
5 purchased by a person licensed under chapter 237 that
6 are used for the construction of work or improvements
7 of a redevelopment project as defined in section
8 237-_____.

9 With regard to purchases made and distributed under the
10 authority of chapter 421, a cooperative association shall be
11 deemed the user thereof."

12 PART VI

13 SECTION 11. In codifying the new sections added by
14 section 2 of this Act, the revisor of statutes shall substitute
15 appropriate section numbers for the letters used in designating
16 the new sections in this Act.

17 SECTION 12. This Act does not affect rights and duties
18 that matured, penalties that were incurred, and proceedings that
19 were begun before its effective date.



1 SECTION 13. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 14. This Act shall take effect on January 1, 2050.



Report Title:

DLNR; Public Lands; Redevelopment; Waiakea Peninsula

Description:

Authorizes the designation of areas or regions of public lands classified as commercial, industrial, resort and hotel, and the establishment and implementation of guidelines for the redevelopment of the areas or regions that will: (1) modernize the policies for the management of public lands in the designated area; (2) establish a plan for the designated area, including district-wide improvements, that is coordinated with state and county land use and planning policies; and (3) implement asset and property management concepts that can optimize income from the properties and evolve in response to changing principles of property administration. Designates the public lands on the Waiakea peninsula on the island of Hawaii as the Waiakea peninsula redevelopment district. Allows the department of land and natural resources to issue a rent reduction or waiver for certain lessee's expenses for demolition or provision of basic infrastructure. Authorizes a local redevelopment agency to contract with a developer for construction of non-residential projects on public land within a redevelopment area. Exempts the costs of construction of work or improvements of a redevelopment project from general excise and use taxes. Effective 1/1/2050. (HD1)

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