

JAN 22 2021

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 finds that in 2020, state
2 revenues declined dramatically due to the SARS-CoV-2 pandemic.
3 Governor Ige acknowledged that state employees will face
4 furloughs as he strives to balance the State's budget and manage
5 a projected \$1,400,000,000 shortfall over each of the next four
6 years. It is timely, therefore, that the legislature consider
7 revenue-generating proposals to help balance the state budget.

8 The purpose of this Act is to generate state revenues by
9 authorizing the board of land and natural resources to sell Sand
10 Island Industrial Park parcels to a lessee under a master lease
11 who has expressed a strong interest in purchasing the fee
12 interest in their leasehold lots.

13 SECTION 2. Section 171-136, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "§171-136 Disposition of public lands within industrial
16 park. The board shall dispose of economic units within an
17 industrial park only by lease to eligible lessees or lessees



1 engaged in commercial uses as provided under paragraph (1) (B).

2 The leases shall be issued by the board in accordance with this
3 chapter, subject to the following:

4 (1) Only industrial uses shall be allowed on the public
5 lands leased; provided that:

6 (A) The eligible lessee may be allowed to engage in
7 nonindustrial uses and activities ancillary and
8 necessary to the eligible lessee's industrial
9 use; and

10 (B) The board may lease public lands within the
11 industrial park for commercial uses if the uses
12 are necessary or desirable to serve other lessees
13 in the industrial park or their employees;

14 (2) Each eligible lessee shall be subject to a development
15 plan formulated pursuant to section 171-41 and make
16 the improvements to the leased public lands required
17 under the development plan; and

18 (3) Each eligible lessee shall pay all assessments for
19 improvements of infrastructure or other public or
20 common facilities within the industrial park, if the



1 board requires the improvements or assessments as
2 conditions of the lease.

3 Notwithstanding any provision to the contrary, the board is
4 authorized to sell the fee simple interest in a parcel of
5 industrial park land to a lessee of that parcel under an
6 existing lease. Revenues generated by the sale of fee simple
7 interests in industrial park lands shall be distributed in equal
8 amounts to the state general fund and the special land and
9 development fund."

10 SECTION 3. The board of land and natural resources shall
11 submit a report on its progress and consideration of the sale of
12 industrial park lands to lessees under existing leases, to the
13 legislature no later than twenty days prior to the convening of
14 the regular session of 2022.

15 SECTION 4. New statutory material is underscored.

16 SECTION 5. This Act shall take effect on July 1, 2021.

17

INTRODUCED BY: 
By Request



S.B. NO. 176

Report Title:

Board of Land and Natural Resources; Sand Island Industrial Park; Sale Under Master Lease

Description:

Authorizes the board of land and natural resources to sell parcels of Sand Island Industrial Park to a lessee under a master lease.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

