

STAND. COM. REP. NO. 1151

Honolulu, Hawaii

MAR 25 2021

RE: H.B. No. 499
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Water and Land, to which was referred H.B. No. 499, H.D. 2, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to extend commercial, industrial, resort, or governmental leases, other than those to which the University of Hawaii is a party, that have not been sold or assigned within the last ten years, for lessees who commit to substantial improvement to the existing improvements.

Your Committee received testimony in support of the measure from the Department of Land and Natural Resources; Prince Kuhio Plaza, LLC; ValueRock Realty Partners, Inc.; Stanford Carr Development, LLC; Pacific Resource Partnership; and McCully Works, Inc. Your Committee received testimony in opposition of the measure from the Office of Hawaiian Affairs, one member of the Maui County Council, Ka Lāhui Hawai'i, Hawaiian Affairs Caucus of the Democratic Party of Hawai'i, Kūpuna for the Mo'opuna, Native Hawaiian Legal Corporation, Hui Maka'ainana a Kalawahine, Sierra Club of Hawai'i, Mauna Kea Anaina Hou, Kai Palaoa, and one hundred forty-four individuals.



Your Committee finds that many of the leases for commercial, industrial, and resort properties on public land statewide may be nearing the end of their lease terms. Faced with the uncertainty of continued tenancy, lessees have little incentive to make major investments in infrastructural improvements and therefore the infrastructure on these properties has been deteriorating. Authorization of lease extensions, like those proposed by this measure, may resolve issues surrounding the future of a tenancy and thereby promote investment in improvements located on currently leased public lands.

Your Committee notes that S.B. No. 257, S.D. 1 (Regular Session of 2021), which was previously passed by your Committee, is a substantially similar measure that also allows the Board of Land and Natural Resources to extend commercial, industrial, resort, or governmental leases, other than those to which the University of Hawaii is a party, that have not been sold or assigned within the last ten years, for lessees who commit to substantial improvement to the existing improvements. Your Committee notes that the language in S.B. No. 257, S.D. 1, is preferable because the measure does not contain language prohibiting leases to be assigned to a sublessee.

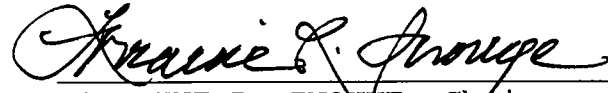
Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have prohibited a lease to be assignable to a sublease, in conformity with the contents of S.B. No. 257, S.D. 1;
- (2) Making it effective upon its approval; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 499, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 499, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.



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

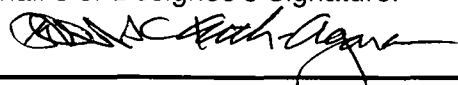


LORRAINE R. INOUE, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:* HB 499, HD 2	Committee Referral: WTL, WAM	Date: 3/15/21		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
INOUYE, Lorraine R. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
MISALUCHA, Bennette E.	X			
RIVIERE, Gil		X		
FEVELLA, Kurt			X	
TOTAL	3	1	1	
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes