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# A BILL FOR AN ACT

RELATING TO PUBLIC LANDS.

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

1       SECTION 1. The department of land and natural resources  
2 shall review the final report of the house of representatives'  
3 investigative committee established under House Resolution No.  
4 164, Regular Session of 2021, for the purpose of developing  
5 proposed legislation to:

6       (1) Regularize and make consistent the various lease  
7 extension statutory language in chapter 171, Hawaii  
8 Revised Statutes. The proposed legislation shall  
9 specifically:

10       (A) Allow all types of leases to be extended, but  
11 require that all lease extensions, regardless of  
12 whether those leases were obtained through direct  
13 negotiation or the public auction process, use  
14 the most current lease form and leasing practices  
15 and policies, including provisions to allow the  
16 State to be paid its fair share of sublease  
17 income;



1 (B) Allow the State to charge rent premiums on  
2 extended leases to compensate the State for  
3 foregoing the reversionary interest and  
4 incorporate the value of the improvements on the  
5 property, except any improvements mandated by the  
6 State; and

7 (C) Require a lessee to pay for the appraisal  
8 required for the reopening of rent in the  
9 extended lease term and be precluded from  
10 protesting the rent so determined; and

11 (2) Allow the department of land and natural resources to  
12 negotiate direct leases for five to ten years with a  
13 basic appraisal process for those properties where  
14 there is no interest in the public auction as  
15 determined by responses to a request for interest  
16 solicitation or by holding a public auction.

17 SECTION 2. There is appropriated out of the general  
18 revenues of the State of Hawaii the sum of \$ or so  
19 much thereof as may be necessary for fiscal year 2022-2023 for  
20 the department of land and natural resources to implement the  
21 recommendations made in the final report of the house of



representatives' investigative committee established under House Resolution No. 164, Regular Session of 2021.

The sum appropriated shall be expended by the department of land and natural resources for the purposes of this Act.

SECTION 3. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the invalidity does not affect other provisions or applications of the Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 4. This Act shall take effect upon its approval.

INTRODUCED BY:

Mike A. Belletti

JAN 26 2022



# H.B. NO. 2417

**Report Title:**

DLNR; Leases; Extension; Direct Negotiation; Appropriation

**Description:**

Requires DLNR to review the final report of the house of representatives' investigative committee established under House Resolution No. 164, Regular Session of 2021, for the purpose of developing proposed legislation. Appropriates funds for DLNR to implement the report's recommendations.

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

