

STAND. COM. REP. NO.

186

Honolulu, Hawaii

FEB 08 , 2023

RE: H.B. No. 1243
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Water & Land, to which was referred H.B. No. 1243 entitled:

"A BILL FOR AN ACT RELATING TO THE EAST HAWAII COMMUNITY DEVELOPMENT DISTRICT,"

begs leave to report as follows:

The purpose of this measure is to revitalize East Hawaii by establishing the East Hawaii Community Development District and board within the Hawaii Community Development Authority.

Your Committee received testimony in support of this measure from one member of the Hawai'i County Council, Hawaii Primary Care Association, HPM Building Supply, and one individual. Your Committee received testimony in opposition to this measure from the League of Women Voters of Hawaii. Your Committee received comments on this measure from the Department of Land and Natural Resources, Department of Budget and Finance, and Hawaii Community Development Authority.

Your Committee finds that this measure would help revitalize East Hawaii, including the Waiakea peninsula, which forms part of the premier tourism district of the east side of Hawaii Island. Many of the properties in the Waiakea peninsula and East Hawaii are in disrepair or obsolete. Your Committee further finds that

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proper redevelopment of the area would benefit the community and businesses of the Hilo area.

Your Committee has amended this measure by:

- (1) Modifying the governance of the East Hawaii Community Development District;
- (2) Specifying that two representatives of the East Hawaii Community Development District must be residents of east Hawaii, as opposed to the island of Hawaii;
- (3) Changing its effective date to June 30, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes the concern expressed by the Department of Land and Natural Resources that this measure requires the Department to transfer leases for public lands within the proposed East Hawaii Community Development District, along with all existing revenue from leases in those areas after paying the Office of Hawaiian Affairs its pro rata share of ceded lands revenue, to the Hawaii Community Development Authority. These requirements would leave the Department with insufficient lease revenue while incurring significant costs in maintaining the leases and other dispositions in the proposed district. Your Committee understands this concern and believes it necessitates further discussion.

As affirmed by the record of votes of the members of your Committee on Water & Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1243, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1243, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.



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


LINDA ICHIYAMA, Chair



