

Honolulu, Hawaii

MAR 22 2024

RE: H.B. No. 2467
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Water and Land, to which was referred H.B. No. 2467, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO RENT CREDITS FOR DEMOLITION AND INFRASTRUCTURE COSTS ON PUBLIC LAND LEASES,"

begs leave to report as follows:

The purpose and intent of this measure is to repeal the sunset provision of Act 222, Session Laws of Hawaii 2021, to permanently allow the Board of Land and Natural Resources to approve rent credits for demolition and infrastructure costs for public land leases.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and one individual.

Your Committee finds that Act 222, Session Laws of Hawaii 2021 (Act 222), authorizes the Board of Land and Natural Resources to approve rent credits to encourage lessees on public lands to conduct demolition work or improve infrastructure. Act 222 provides the Board of Land and Natural Resources with flexibility in its negotiations with lessees and incentivizes the development of public lands while shifting the financial burden to lessees who benefit most directly from the development of the land. Your Committee further finds that Act 222 is scheduled to sunset on



June 30, 2026. This measure repeals the sunset provision of Act 222, securing the Board of Land and Natural Resources' authority to negotiate long-term leases and provide rent credit incentives for these kinds of investments.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

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. 2467, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2467, H.D. 1, 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



