

STAND. COM. REP. NO. 2301

Honolulu, Hawaii

FEB 13 2024

RE: S.B. No. 3156
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 S.B. No. 3156 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 allow the Board of Land and Natural Resources to approve rent credits for demolition and infrastructure costs for public land leases beyond its current sunset date of June 30, 2026.

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

Your Committee finds that Act 222, Session Laws of Hawaii 2021 (Act 222), authorizes the Board of Land and Natural Resources to reduce or waive rent payments over a fixed period specified in the lease contract for public land in exchange for demolition of existing unusable improvements or installation of new basic infrastructure, including drainage, sewer, water, or electrical utilities by the lessee. Act 222 also provides the Department of Land and Natural Resources with flexibility in its negotiations with lessees and allows the Department to incentivize development on public lands. However, Act 222 will sunset on June 30, 2026. This measure will allow the Department of Land and Natural

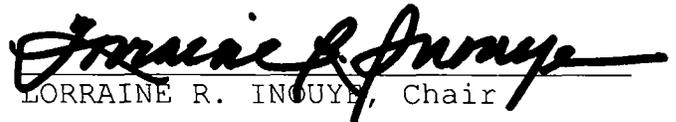


Resources to retain its authority to negotiate long-term leases pursuant to commercially reasonable standards, while providing rent credit incentives.

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 S.B. No. 3156, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3156, 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-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:* SB 3156	Committee Referral: WTL, WAM	Date: 02/09/24		
<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)	✓			
ELEFANTE, Brandon J.C. (VC)	✓			
CHANG, Stanley	✓			
MCKELVEY, Angus L.K.	✓			
FEVELLA, Kurt	✓			
TOTAL	5	∅	∅	∅
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**