
A BILL FOR AN ACT

RELATING TO DIRECT NEGOTIATION FOR PUBLIC LAND LEASES.

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

1 SECTION 1. The legislature finds that the public auction
2 process that is normally used to dispose of public land leases
3 has become too protracted, cumbersome, and uncertain to the
4 extent that it has deterred participation by potential lessees.
5 The result is that properties have remained vacant, generating
6 no income and serving no public benefit.

7 The legislature also finds that expediting the leasing
8 process would potentially make properties more attractive to
9 prospective lessees and result in the creation of a long-term
10 income stream.

11 The purpose of this Act is to expand the disposition of
12 public land leases through direct negotiation to include
13 commercial and industrial purposes.

14 SECTION 2. Section 171-59, Hawaii Revised Statutes, is
15 amended by amending subsection (b) to read as follows:

16 "(b) Disposition of public lands for uses related to
17 airline, aircraft, and airport-related[~~τ~~] operations;
18 agricultural processing[~~τ~~]; cattle feed production[~~τ~~];



1 aquaculture[~~7~~]; commercial use on parcels of up to five acres;
2 industrial use on parcels of up to five acres; and marine,
3 maritime, and maritime-related operations may be negotiated
4 without regard to the limitations set forth in subsection (a)
5 and section 171-16(c); provided that:

6 (1) The disposition encourages competition within the
7 [~~aeronautical, airport-related, agricultural,~~
8 ~~aquaculture, maritime, and maritime-related~~
9 ~~operations~~] relevant industries;

10 (2) The disposition shall not exceed a maximum term of
11 thirty-five years, except in the case of:

12 (A) Maritime and maritime-related operations, which
13 may provide for a maximum term of seventy years;
14 and

15 (B) Aquaculture operations, which may provide for a
16 maximum term of sixty-five years; provided
17 further that aquaculture operations in good
18 standing may seek to renew a lease issued under
19 this section and, during the lease term, may
20 engage in supportive activities that are related
21 to or integrated with aquaculture; [~~and~~]



1 (3) The method of disposition of public lands for cattle
2 feed production as set forth in this subsection shall
3 not apply after December 31, 1988~~[+]~~; and

4 (4) After holding at least two public hearings, the board
5 approves the disposition.

6 For the purposes of this subsection:

7 "Agricultural processing" means the processing of
8 agricultural products, including dairying, grown, raised, or
9 produced in Hawaii.

10 "Airport-related" means a purpose or activity that requires
11 air transportation to achieve that purpose or activity; or an
12 activity that generates revenue for the airport system as
13 provided in section 261-7.

14 "Aquaculture" means the propagation, cultivation, or
15 farming of aquatic plants and animals in controlled or selected
16 environments for research, commercial, or stocking purposes,
17 including aquaponics or any growing of plants or animals with
18 aquaculture effluents.

19 "Maritime-related" means a purpose or activity that
20 requires and is directly related to the loading, off-loading,



1 storage, or distribution of goods and services of the maritime
2 industry."

3 SECTION 3. This Act does not affect rights and duties that
4 matured, penalties that were incurred, and proceedings that were
5 begun before its effective date.

6 SECTION 4. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 5. This Act shall take effect upon its approval;
9 provided that on June 30, 2029, this Act shall be repealed and
10 section 171-59(b), Hawaii Revised Statutes, shall be reenacted
11 in the form in which it read on the day prior to the effective
12 date of this Act.



Report Title:

Public Land; Leases; Direct Negotiation; Commercial Use;
Industrial Use

Description:

Authorizes disposition of public land leases by direct negotiation for commercial or industrial use on parcels of up to five acres. Repeals 6/30/2029. (CD1)

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