

STAND. COM. REP. NO.

1266

Honolulu, Hawaii

MAR 14 , 2025

RE: S.B. No. 739
S.D. 2
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Water & Land, to which was referred S.B.
No. 739, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO LAND EXCHANGE,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Allow the Governor to negotiate land exchanges consistent with and in furtherance of the State's agricultural housing needs and purposes; and
- (2) Require the Governor to submit a report to the Legislature of the negotiated land exchanges for final approval.

Your Committee received testimony in support of this measure from the Agribusiness Development Corporation; Hawai'i Farm Bureau; Hawai'i Food+ Policy; Land Use Research Foundation of Hawaii; and one individual. Your Committee received comments on this measure from the Department of Land and Natural Resources and Office of Hawaiian Affairs.

Your Committee finds that the State's agricultural production is insufficient to meet the State's food consumption needs. Your

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Committee further finds that privately held lands that were formerly used for pineapple and sugar cane are currently lying fallow and may be prime candidates for land exchanges for urban public lands that are suitable for affordable housing, workforce housing, or other types of housing inventory to assist the State in addressing its pressing housing and agricultural needs.

Your Committee has amended this measure by:

- (1) Subjecting any land exchanges negotiated by the Governor to approval from the Board of Land and Natural Resources;
- (2) Clarifying that lands undergoing the development entitlement process and on which substantial state funds have been expended shall not be considered priority lands for a land exchange;
- (3) Requiring private lands obtained in a land exchange to assume the ceded or public land trust character of the state lands for which they were exchanged;
- (4) Requiring a restrictive covenant or reversionary interest in favor of the State that requires the land to be used for the development of affordable housing, workforce housing, or other housing inventory to be attached to the deed of any state land transferred to a private party as part of a land exchange;
- (5) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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 S.B. No. 739, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 739, S.D. 2, H.D. 1, and be referred to your Committee on Agriculture & Food Systems.



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



MARK J. HASSEM, Chair



State of Hawaii
House of Representatives
The Thirty-third Legislature

HSCR 1266

Record of Votes of the Committee on Water & Land

Bill/Resolution No.: SB 739 BD 2	Committee Referral: WAL, AGR, FIN	Date: 3/11/25		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
WAL Members	Ayes	Ayes (WR)	Nays	Excused
1. HASHEM, Mark J. (C)	<input checked="" type="checkbox"/>			
2. LAMOSAO, Rachele F. (VC)	<input checked="" type="checkbox"/>			
3. BELATTI, Della Au	<input checked="" type="checkbox"/>			
4. ICHIYAMA, Linda	<input checked="" type="checkbox"/>			
5. IWAMOTO, Kim Coco			<input checked="" type="checkbox"/>	
6. MORIKAWA, Dee	<input checked="" type="checkbox"/>			
7. POEPOE, Mahina	<input checked="" type="checkbox"/>			
8. WOODSON, Justin H.				<input checked="" type="checkbox"/>
9. SHIMIZU, Garner M.	<input checked="" type="checkbox"/>			
10. SOUZA, Kanani	<input checked="" type="checkbox"/>		<i>tn</i>	<i>tr</i>
TOTAL (10)	<i>9</i>	<i>0</i>	<i>1</i>	<i>1</i>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <i>[Signature]</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				