

ACT 73

H.B. NO. 1261

A Bill for an Act Relating to Public Lands.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 171-41.5, Hawaii Revised Statutes, is amended to read as follows:

“~~[[171-41.5]]~~ Amendment of ~~[lease for] commercial, hotel, or industrial [use.] lease.~~ (a) The board of land and natural resources, after notification and public hearing as provided in subsection (b), may amend the height, density, and other building restrictions or requirements and the specific use or uses contained in a lease for hotel, commercial, or industrial use of public land to another or an additional specific hotel, commercial, or industrial use or uses, or restriction; provided that the lease has been in effect twenty years or more, and upon:

- (1) The application of the lessee;
- (2) Consent of each holder of record having a security interest in any improvements made by the lessee to the leased public land;
- (3) A finding by not less than two thirds of the total membership of the board that the amended use or uses or restriction is in the public interest; and
- (4) Agreement by the lessee that the lessee, commencing from the effective date of the ~~[amended use or uses,] amendment,~~ shall pay a revised annual rent equal to the annual fair market rental value of the land based on the ~~[amended use or uses,] amendment.~~ The annual fair market value of the land shall be determined and set by the board. Such amendments shall not be construed to permit the construction of improvements not otherwise permitted by county zoning regulations applicable to the public land.

(b) Before any amendment to a state lease, the board of land and natural resources shall give no fewer than fourteen days notice by advertisement in no fewer than two newspapers, at least one of general circulation in the State and one of general circulation in the county where the subject property is situated. A full hearing shall be given by the board of land and natural resources, to all who desire to be heard upon the subject matter of the notice. The hearing shall be public, on the island where the subject property is situated, and shall be conducted under such rules as the board may adopt.”

SECTION 2. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 23, 1990.)