

ACT 225

H.B. NO. 1348

A Bill for an Act Relating to Public Lands.

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

SECTION 1. The purpose of this Act is to establish a lottery system for the leasing of cabins on public lands for recreation-residence use.

SECTION 2. Section 171-1, Hawaii Revised Statutes, is amended by adding two new definitions to be appropriately inserted and to read as follows:

““Good standing” means the status of a lessee who is in full compliance with the lessee’s obligations under the lease.

“Recreation-residence” means a part-time residence for occasional, recreational use and not for continuous occupancy by the lessee or lessee’s family, friends, and guests.”

SECTION 3. Section 171-7, Hawaii Revised Statutes, is amended to read as follows:

“§171-7 General duties of the board. Except as provided by law, the board of land and natural resources through the chairperson shall:

- (1) Maintain an accurate inventory of public lands;
- (2) Prevent illegal activities on, unlawful occupation of, or trespassing on public lands;
- (3) Cause all trespassers and persons unlawfully occupying public lands, and their effects, and all animals trespassing on the lands to be removed therefrom and to impound the animals according to law;
- (4) Enter on any public land in order to take possession thereof, and to resume possession of, any public land in case of surrender, forfeiture, or escheat;
- (5) Enforce contracts respecting sales, leases, licenses, permits, or other disposition of public lands;
- (6) Conduct all public auctions, lotteries, and sales pertaining to the disposition of public lands and other property authorized by the board;
- (7) Recover money due the State for damage done to any public lands by wrongful entry and occupation or by wrongful removal therefrom or destruction of any property;
- (8) Bring ~~[such]~~ actions and proceedings as may be necessary to carry out the powers and duties of the board in the name of the State and ~~[to]~~ defend ~~[such]~~ these actions brought against the State as may be authorized;

- (9) Keep a record of all official transactions~~[;]~~ relating to public lands within the chairperson's jurisdiction ~~[and such record]~~, which shall be a public record; and
- (10) Administer oaths in all matters pertaining to the administration of the public lands."

SECTION 4. Section 171-44, Hawaii Revised Statutes, is amended to read as follows:

"§171-44 Lease for recreation-residence use. ~~[(a)]~~ Notwithstanding any limitations to the contrary, the board of land and natural resources ~~[may]~~ shall lease, by ~~[direct negotiation]~~ public lottery and without recourse to public auction, lands within a state park or forest reserve and other lands set aside under executive orders, for recreation-residence use for a period not to exceed twenty years on ~~[such]~~ terms and conditions as may be prescribed by the board~~[;]~~; provided that:

- (1) A lessee determined to be in good standing by the board at the expiration of the lessee's lease may directly negotiate with the board to renew the lease for an additional term not to exceed twenty years;
- (2) The annual rent for any renewed lease shall be adjusted by the board to reflect changes to the implicit price deflator for the gross domestic product as published by the Bureau of Economic Analysis, applied on a five-year rolling average; and
- (3) A lessee shall notify the board in writing no less than sixty days before the termination of the lease if the lessee intends to renew the lease.

~~[(b)]~~ The ~~[(board)]~~ of land and natural resources shall enforce all provisions of ~~[recreation-residential]~~ recreation-residence use lease agreements and shall establish a schedule of penalties and fines for any breach of the provisions of a ~~[recreation-residential]~~ recreation-residence use lease agreement unless penalties and fines are specified in the lease agreement.

(c) Recreation-residence use leases offered by public lottery shall be:

- (1) Offered at fair market value, to be determined by appraisal pursuant to section 171-17;
- (2) Limited to one person per recreation-residence; provided that if two or more lessees intend to jointly reside in the same recreation-residence, only one lessee may enter the public lottery; and
- (3) For vacant recreation-residences, offered within twelve months of the recreation-residence becoming vacant.

(d) The board shall limit participation in the public lottery of recreation-residence use leases to residents of the same county in which the land to be leased is located; provided that limiting participation in the public lottery to residents of the county will be for the benefit of the residents of the county; ensure premises leased will be properly maintained by the lessee; and preserve the environmental, cultural, and scenic values of the leased premises. If the number of county residents participating in the public lottery is fewer than the number of leases available, the board shall open the public lottery to all residents of the State, followed by nonresidents.

(e) Any transfer or assignment of a recreation-residence use lease shall be subject to a fee of \$1,200, to be paid to the board. The board shall annually increase or decrease the fee to reflect changes to the implicit price deflator for the gross domestic product as published by the Bureau of Economic Analysis, applied on a five-year rolling average."

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

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

SECTION 7. This Act shall take effect on July 1, 2025.

(Approved June 25, 2025.)