

ACT 289

H.B. NO. 800

A Bill for an Act Relating to Government.

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

PART I

SECTION 1. (a) Notwithstanding any other law to the contrary, the fee simple interest in the following parcels of land with the existing improvements thereon (hereinafter “the properties”) (but not including submerged land, accreted land, or any land makai of the shoreline), shall be conveyed by the department of land and natural resources, department of accounting and general services, Hawaii housing finance and development corporation, or other respective state agency, as grantor, to the city and county of Honolulu as grantee, as is, where is, and subject to any existing recorded ground leases, easements, and encumbrances:

- (1) TMK 1-1-5-7-2 (senior residence at Iwilei);
- (2) TMK 1-1-5-7-1 (Liliha civic center);
- (3) TMK 1-1-7-27-1 (Aala park);
- (4) TMK 1-1-5-9-1 (Institute for Human Services);
- (5) TMK 1-1-5-9-2 (morgue addition);
- (6) TMK 1-1-5-9-3 (morgue); and
- (7) TMK 1-1-5-9-10 (Iwilei fire station).

(b) The respective state agency serving as grantor for each parcel in subsection (a) shall prepare, execute, and record, in the land court or bureau of conveyances, as appropriate, a quitclaim deed to convey each parcel with all existing improvements, to the city and county of Honolulu as grantee. As these are conveyances in which the city and county of Honolulu and the State and its agencies are the only parties, the tax imposed by section 247-1, Hawaii Revised Statutes, shall not apply. Effective on the date of transfer pursuant to subsection

(d), every reference to the present titleholder or the head of the department or agency in each instrument, if the titleholder is a department or an agency, shall be construed as a reference to the city and county of Honolulu.

(c) The city and county of Honolulu shall accept the properties in their existing condition. All claims and liabilities against the respective state agency serving as grantor for each parcel in subsection (a), if any, which the city and county of Honolulu has, may have had, or may have in the future, regarding any injury, loss, cost, damage, or liability, including reasonable attorneys' fees, concerning the physical, environmental, soil, economic, and legal conditions of the conveyed properties, are released, waived, and extinguished.

(d) Transfer of the parcels shall be effective December 31, 2025, or upon final approval by the city and county of Honolulu of the terms of the transfer of the Alii tower parcel to the department of land and natural resources pursuant to part II of this Act, whichever occurs later.

PART II

SECTION 2. (a) Notwithstanding any other law to the contrary, the fee simple interest in the parcel of land identified as TMK 1-2-1-17-8 (Alii tower) with the existing improvements thereon (hereinafter "the property") (but not including submerged land, accreted land, or any land makai of the shoreline), shall be conveyed by the city and county of Honolulu as grantor, to the department of land and natural resources as grantee, as is, where is, and subject to any existing recorded ground leases, easements, and encumbrances.

(b) The city and county of Honolulu shall prepare, execute, and record, in the land court or bureau of conveyances, as appropriate, a quitclaim deed to convey the parcel in subsection (a) with all existing improvements, to the department of land and natural resources as grantee, and a lease for the department of the prosecuting attorney of the city and county of Honolulu on terms acceptable to the grantee. As this is a conveyance in which the city and county of Honolulu and the State and its agencies are the only parties, the tax imposed by section 247-1, Hawaii Revised Statutes, shall not apply. Effective on the date of transfer pursuant to subsection (d), every reference to the present titleholder or the head of the department or agency in each instrument, if the titleholder is a department or an agency, shall be construed as a reference to the department of land and natural resources.

(c) The department of land and natural resources shall accept the property in its existing condition. All claims and liabilities against the city and county of Honolulu, if any, which the department of land and natural resources has, may have had, or may have in the future, regarding any injury, loss, cost, damage, or liability, including reasonable attorneys' fees, concerning the physical, environmental, soil, economic, and legal conditions of the conveyed property, are released, waived, and extinguished.

(d) Transfer of the parcel shall be effective December 31, 2025, or upon final approval by the city and county of Honolulu of the terms of the transfer, whichever occurs later.

PART III

SECTION 3. Section 171-2, Hawaii Revised Statutes, is amended to read as follows:

§171-2 Definition of public lands. "Public lands" means all lands or interest therein in the State classed as government or crown lands previous to

August 15, 1895, or acquired or reserved by the government upon or subsequent to that date by purchase, exchange, escheat, or the exercise of the right of eminent domain, or in any other manner; including lands accreted after May 20, 2003, and not otherwise awarded, submerged lands, and lands beneath tidal waters that are suitable for reclamation, together with reclaimed lands that have been given the status of public lands under this chapter, except:

- (1) Lands designated in section 203 of the Hawaiian Homes Commission Act, 1920, as amended;
- (2) Lands set aside pursuant to law for the use of the United States;
- (3) Lands being used for roads and streets;
- (4) Lands to which the United States relinquished the absolute fee and ownership under section 91 of the Hawaiian Organic Act before the admission of Hawaii as a state of the United States unless subsequently placed under the control of the board of land and natural resources and given the status of public lands in accordance with the state constitution, the Hawaiian Homes Commission Act, 1920, as amended, or other laws;
- (5) Lands to which the University of Hawaii holds title;
- (6) Non-ceded lands set aside by the governor to the Hawaii housing finance and development corporation or lands to which the Hawaii housing finance and development corporation in its corporate capacity holds title;
- (7) Lands to which the Hawaii community development authority in its corporate capacity holds title;
- (8) Lands set aside by the governor to the Hawaii public housing authority or lands to which the Hawaii public housing authority in its corporate capacity holds title;
- (9) Lands to which the department of agriculture holds title by way of foreclosure, voluntary surrender, or otherwise, to recover moneys loaned or to recover debts otherwise owed the department under chapter 167;
- (10) Lands that are set aside by the governor to the Aloha Tower development corporation, lands leased to the Aloha Tower development corporation by any department or agency of the State, or lands to which the Aloha Tower development corporation holds title in its corporate capacity;
- (11) Lands that are set aside by the governor to the agribusiness development corporation, lands leased to the agribusiness development corporation by any department or agency of the State, or lands to which the agribusiness development corporation in its corporate capacity holds title;
- (12) Lands to which the Hawaii technology development corporation in its corporate capacity holds title;
- (13) Lands to which the department of education holds title;
- (14) Lands to which the stadium authority holds title;
- (15) Lands to which the school facilities authority holds title; ~~[and]~~
- (16) Lands that are set aside by the governor to the department of transportation, lands leased to the department of transportation by any department or agency of the State, or lands to which the department of transportation holds title; and
- (17) Lands transferred to the department of land and natural resources pursuant to Act _____, Session Laws of Hawaii 2025;

provided that, except as otherwise limited under federal law and except for state land used as an airport as defined in section 262-1, public lands shall include the air rights over any portion of state land upon which a county mass transit project is developed after July 11, 2005; provided further that if the lands pursuant to paragraph (6) are no longer needed for housing finance and development purposes, the lands shall be returned to the agency from which they were obtained; provided further that if the lands pursuant to paragraph (14) are no longer needed for the stadium development district or related purposes, the lands shall be returned to the public land trust administered by the department.”

SECTION 4. Real property transferred to the department of land and natural resources under this Act shall not be considered part of the public land trust as described in section 171-18, Hawaii Revised Statutes.

PART IV

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 2025, or the day after final approval by the city and county of Honolulu of the terms of the transfer of the fee simple interest in land pursuant to part II of this Act, whichever occurs later; provided that upon the completed transfer of the fee simple interest in land pursuant to part II of this Act, the governor shall notify the legislature and the revisor of statutes that the transfer was filed or recorded with the bureau of conveyances; provided further that if the city and county of Honolulu does not finalize approval of the terms of the transfer required under part II of this Act by December 31, 2026, this Act shall be repealed on January 1, 2027, and section 171-2, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day before the effective date of this Act.

(Approved July 3, 2025.)