

JAN 23 2015

A BILL FOR AN ACT

RELATING TO PUBLIC SCHOOL LANDS.

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

1 SECTION 1. Section 302A-1151.1, Hawaii Revised Statutes,
2 is amended to read as follows:

3 "~~§~~302A-1151.1~~§~~ Pilot program for lease of public
4 school land. (a) There shall be established within the
5 department a pilot program for the lease of public school land,
6 including facilities. The department, in consultation with the
7 board of education and any other appropriate agency, shall serve
8 as the facilitator of the pilot program.

9 (b) Notwithstanding sections 171-13 and 302A-1151, or any
10 other law to the contrary, the department may lease public
11 school land on terms it deems appropriate~~§~~, including a lease-
12 back of all or a portion of the improvements constructed;
13 provided that:

14 (1) The board may identify and select up to five public
15 school land sites as candidates for participation in
16 the pilot program; provided that:



1 (A) During the identification and selection process,
2 the board shall be subject to chapter 92, shall
3 hold at least one public meeting in each affected
4 community, and shall foster school and community
5 participation; and

6 (B) If the site is on land owned by the county, the
7 department shall consult with the county;

8 (2) The department may lease public school land for no
9 more than three public school land sites identified
10 and selected by the board pursuant to paragraph (1)
11 under leases for a term of not more than fifty-five
12 years per lease, unless extended pursuant to section
13 171-36, to lessees who shall be required to modify,
14 construct, or utilize facilities to ~~[meet public]~~
15 benefit public educational purposes, [including
16 ~~workforce rental housing units,]~~ in accordance with
17 specific request for proposal or request for
18 information guidelines; ~~[and]~~

19 (3) Each lease shall stipulate that the lessee may retain
20 any revenue generated from the facilities; provided
21 that:



- 1 (A) The lessee shall be obligated to maintain and
2 operate the facilities [~~for a public purpose~~] to
3 benefit public educational purposes for the
4 length of the lease;
- 5 (B) The lessee shall be obligated to pay to the
6 county all applicable property tax on the value
7 of any improvements;
- 8 (C) A leasehold premium may be charged to the lessee
9 for the right to use the public school land based
10 on a competitive [~~bid~~] process[~~-~~] that complies
11 with applicable sections of chapter 103D;
- 12 (D) Upon the expiration of the lease, the facilities
13 shall revert to the department; and
- 14 (E) All revenues and proceeds derived by the State
15 under this section shall be deposited in the
16 school facilities subaccount pursuant to section
17 302A-1151.2 [~~-~~]; and
- 18 (4) Notwithstanding any law to the contrary, the
19 department may enter into lease-back agreements that
20 allow the department to lease or sublease the property
21 to a third party. The department may lease back the



1 property from the third-party lessee or sublessee for
2 a contractual period of time, after which the
3 department shall own any improvements.

4 (c) Any redevelopment involving nonschool purposes shall:

5 (1) Comply with county plans, ordinances, and zoning and
6 development codes; and

7 (2) Acquire all required government approvals and permits.

8 (d) Nothing in this section shall preclude the department
9 from working with and receiving assistance from any other
10 department or agency in carrying out the purposes of this
11 section.

12 (e) Any lease entered into by the department pursuant to
13 subsection (b) shall be fully executed no later than five years
14 from July 1, 2013.

15 (f) For purposes of this section, public educational
16 benefits shall include but are not limited to:

17 (1) A new revenue source from the redevelopment of one or
18 more underutilized department facilities;

19 (2) New construction of department facilities or
20 renovation of existing, underutilized department
21 facilities into a twenty-first century school; or



1 (3) A combination of paragraphs (1) and (2)."

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

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

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S.B. NO. 854

Report Title:

Public School Lands

Description:

Requires public school lands that are leased to benefit public educational purposes rather than simply to be used for public purposes. Authorizes the DOE to enter into lease-back agreements.

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