

Honolulu, Hawaii

February 15, 2019

RE: H.B. No. 1117
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 1117, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO STATE LANDS,"

begs leave to report as follows:

The purpose of this measure is to ensure the financial sustainability of the Board of Agriculture (BOA) agricultural park leases, Agribusiness Development Corporation (ADC) controlled agricultural lands, and public lands under the jurisdiction of the Board of Land and Natural Resources (BLNR) by:

- (1) Clarifying that BOA, ADC, and BLNR, in the event a lessee is in arrears of lease payments, must attempt to enter into a payment plan, in addition to other existing procedures, before terminating the lease;
- (2) Prohibiting the transfer, assignment, and subletting of ADC-controlled agricultural lands without the prior approval of ADC; authorizing ADC to review, approve, and impose requirements with respect to the consideration paid for the transfer or assignment by the assignee and the sublease rent paid by the sublessee; and in the case of a transfer or assignment, authorizing ADC to charge an assignment premium based on specified conditions; and



- (3) Requiring BOA and BLNR to adopt rules that ensure the timely collection of lease payments and track lessees who are in arrears of lease payments.

The Maui Chamber of Commerce and Hawaii Cattlemen's Council testified in support of this measure. The Department of Land and Natural Resources, Department of Agriculture, and Agribusiness Development Corporation provided comments.

Your Committee has amended this measure by:

- (1) Deleting the mandatory rule-making by BLNR regarding the collection of lease rents and tracking of lessees who are in arrears of lease payments; and
- (2) Clarifying that BLNR is authorized to consider a payment plan by any lessee who requests one.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1117, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1117, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



CHRIS LEE, Chair



