

STAND. COM. REP. NO.

374

Honolulu, Hawaii

FEB 18 , 2021

RE: H.B. No. 499  
H.D. 2

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 499, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LEASE EXTENSIONS ON PUBLIC LAND,"

begs leave to report as follows:

The purpose of this measure is to authorize the Board of Land and Natural Resources to extend commercial, industrial, resort, mixed-use, or government leases, other than those to which the University of Hawaii is a party, that have not been sold or assigned within the last ten years, for lessees who commit to substantial improvement to the existing improvements.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Pacific Resource Partnership; Stanford Carr Development, LLC; Prince Kuhio Plaza; and one individual. Your Committee received testimony in opposition to this measure from the Office of Hawaiian Affairs, Democratic Party of Hawai'i Hawaiian Affairs Caucus, Kūpuna for the Mo'opuna, and Ka Lāhui Hawai'i Komike Kalai'āina.

Your Committee finds that many leases issued by the State for commercial, industrial, resort, mixed-use, and government properties on public land are nearing the end of the lease term. Due to the uncertainty of their leases, some lessees are allowing

2021-1681 HB499 HD2 HSCR HMSO



properties to deteriorate or selling their leases near the end of the lease terms at a discount. This measure incentivizes lessees to make major infrastructural improvements, while ensuring the long-term commitment of businesses.

Your Committee has amended this measure by:

- (1) Prohibiting the assignment of leases to sublessees; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 499, 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. 499, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



AARON LING JOHANSON, Chair



State of Hawaii  
House of Representatives  
The Thirty-first Legislature

H SR 374

**Record of Votes of the Committee on Consumer Protection & Commerce**

Bill/Resolution No.: <span style="font-size: 1.2em;">HB 499 HD 1</span>	Committee Referral: <span style="font-size: 1.2em;">WAL, CPC, FIN</span>	Date: <span style="font-size: 1.2em;">2/11/2021</span>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)	✓			
2. KITAGAWA, Lisa (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. HAR, Sharon E.	✓			
5. HASHEM, Mark J.	✓			
6. KONG, Sam Satoru	✓			
7. MIZUNO, John M.	✓			
8. MORIKAWA, Dee	✓			
9. ONISHI, Richard H.K.	✓			
10. TARNAS, David A.	✓			
11. MATSUMOTO, Lauren	✓			
<b>TOTAL (11)</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u><i>Lisa Kitagawa</i></u>				
<b>Distribution:</b> Original (White) – Committee            Duplicate (Yellow) – Chief Clerk's Office            Duplicate (Pink) – HMSO				