

JAN 27 2021

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# A BILL FOR AN ACT

RELATING TO PUBLIC LANDS.

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

1 PART I

2 SECTION 1. The legislature finds that because of the  
3 policies guiding the management of public lands with commercial,  
4 industrial, resort, and hotel uses, there has been little  
5 incentive for lessees to make major improvements to their  
6 infrastructure, resulting in the deterioration of infrastructure  
7 and facilities. The lack of improvements in many of these areas  
8 has resulted in dilapidation, deterioration, or obsolescence of  
9 buildings and structures.

10 The department of land and natural resources has the  
11 responsibility of planning for the disposition of commercial,  
12 industrial, and hotel and resort classes of public lands to  
13 determine specific uses, the minimum sizes of parcels, required  
14 building construction or improvements, and lease terms and  
15 requirements.

16 The legislature finds that the rejuvenation of public lands  
17 that have become dilapidated or obsolete or have deteriorated



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1 over time is in the public interest and constitutes a valid  
2 public purpose.

3 The purpose of this Act is to authorize the designation of  
4 areas or regions of public lands classified as commercial and  
5 industrial use; hotel, apartment, and motel use; or resort use  
6 and the establishment and implementation of guidelines for the  
7 redevelopment of the areas or regions that will:

- 8 (1) Modernize policies for the management of public lands  
9 in the designated area;
- 10 (2) Establish a plan for the designated area, including  
11 district-wide improvements, that is coordinated with  
12 state and county land use and planning policies; and
- 13 (3) Implement asset and property management concepts that  
14 can optimize income from the properties and evolve in  
15 response to changing principles of property  
16 administration.

17 PART II

18 SECTION 2. Chapter 171, Hawaii Revised Statutes, is  
19 amended by adding a new part to be appropriately designated and  
20 to read as follows:



1                   **"PART . PUBLIC LANDS REDEVELOPMENT**

2           **§171-A Definitions.** As used in this part, unless the  
3 context requires otherwise:

4           "Planning committee" or "committee" means the policy-making  
5 committee established for a redevelopment district pursuant to  
6 section 171-C.

7           "Premises" means the property that is being leased or  
8 rented in a designated district.

9           "Public facilities" include streets and highways, storm  
10 drainage systems, water systems, street lighting systems, off-  
11 street parking facilities, and sanitary sewerage systems.

12           "Redevelopment district" or "designated district" means an  
13 area of public lands designated for redevelopment pursuant to  
14 section 171-B.

15           **§171-B Designation of redevelopment district; boundaries;**  
16 **transfer to the committee.** (a) The legislature shall designate  
17 redevelopment districts by law for any area of public lands  
18 classified as commercial and industrial; hotel, apartment, and  
19 motel; or resort use pursuant to section 171-10, if the  
20 legislature determines that there is a need for planning,  
21 development, or redevelopment because the buildings and



1 infrastructures in the area are dilapidated or have deteriorated  
2 due to age or obsolescence.

3 (b) The designation shall specify the boundaries of the  
4 redevelopment district.

5 (c) The law designating the redevelopment district shall  
6 transfer the management of the public lands within the district  
7 to the planning committee for the designated district; provided  
8 that any lessee or permittee within the designated district  
9 shall perform in full compliance with the existing lease or  
10 permit.

11 (d) All rules, policies, procedures, guidelines, leases,  
12 contracts, loans, agreements, permits, and other materials and  
13 documents adopted or developed by the department of land and  
14 natural resources to implement applicable state laws shall  
15 remain in full force and effect until amended or repealed by the  
16 committee.

17 **§171-C Planning committee; members; district**

18 **administrator; repeal.** (a) Upon the designation of a  
19 redevelopment district pursuant to section 171-B, a planning  
20 committee for the designated district shall be established  
21 within the department for administrative purposes.



1 (b) The committee shall be an executive committee for the  
2 designated district and shall consist of nine voting members.

3 The committee shall consist of:

4 (1) The chairperson of the board of land and natural  
5 resources and the director of planning of the county  
6 in which the designated district is located, or their  
7 designated representatives, who shall be ex officio  
8 members; and

9 (2) Seven members of the public appointed by the governor  
10 pursuant to section 26-34; provided that of the  
11 members appointed pursuant to this paragraph:

12 (A) Two members shall be selected from a list of  
13 three names for each nomination submitted by the  
14 president of the senate and two members shall be  
15 selected from a list of three names for each  
16 nomination submitted by the speaker of the house  
17 of representatives, in collaboration with the  
18 legislators from the county in which the  
19 designated district is located; provided further  
20 that the governor shall select a name no later  
21 than days after receipt of each list;



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- 1 (B) Three members appointed by the governor pursuant  
2 to section 26-34; provided that:
- 3 (i) One member shall represent the business  
4 sector within the designated district;
- 5 (ii) One member shall have experience and  
6 expertise in the area of Hawaiian cultural  
7 practices; and
- 8 (iii) One member shall be a member of the public  
9 and a resident of the county in which the  
10 designated district is located;
- 11 provided further that the governor shall appoint  
12 these members no later than days after  
13 designation of the redevelopment district; and
- 14 (C) The seven members of the public shall have  
15 expertise in the development of commercial,  
16 industrial, resort, and hotel lands as well as  
17 expertise in at least one of the following areas  
18 and shall be selected on the basis of their  
19 knowledge, experience, and expertise in:
- 20 (i) Management of small or large businesses;  
21 (ii) Economics, banking, investment, or finance;



1 (iii) Real estate development;

2 (iv) Real estate management;

3 (v) Marketing;

4 (vi) Hawaiian cultural practices; or

5 (vii) Hotel and resort management;

6 provided further that of the seven members of the  
7 public, three members shall be residents of the county  
8 in which the designated district is located and all  
9 members shall be residents of the State.

10 (c) The committee shall elect its chairperson from among  
11 its members of the public.

12 (d) The members of the committee shall serve without  
13 compensation but shall be reimbursed for reasonable expenses,  
14 including travel expenses, incurred in the performance of their  
15 duties. This subsection shall not be construed to prohibit the  
16 ex officio members of the committee from receiving their  
17 salaries and wages for their work as public officials.

18 (e) The committee shall appoint a district administrator,  
19 who shall be the chief executive officer for the designated  
20 district. The district administrator shall have expertise in  
21 the development of commercial, industrial, resort, or hotel



1 lands as well as expertise in at least one of the following  
2 areas and shall be selected on the basis of the person's  
3 knowledge, experience, and expertise in management of small or  
4 large businesses; economics, banking, investment, or finance;  
5 real estate development; real estate management; law; marketing;  
6 or hotel and resort management. The committee shall set the  
7 district administrator's duties, responsibilities, holidays,  
8 vacations, leaves, hours of work, and working conditions. The  
9 committee shall set the salary of the district administrator,  
10 who shall serve at the pleasure of the committee and shall be  
11 exempt from chapter 76.

12 (f) The committee shall be dissolved upon the completion  
13 of the redevelopment project.

14 **§171-D Powers and duties; generally; exemption from**  
15 **administrative supervision of boards and commissions.** (a) The  
16 committee shall have the following powers and duties:

17 (1) Through its district administrator, appoint staff and  
18 employees, prescribe their duties and qualifications,  
19 and fix their salaries, without regard to chapter 76;





- 1           (2) Through its district administrator:
  - 2               (A) Allocate space or spaces that are to be occupied
  - 3                    by the committee and appropriate staff; and
  - 4               (B) Purchase necessary supplies, equipment, or
  - 5                    furniture;
- 6           (3) Prepare a redevelopment plan for the designated
- 7                district that shall be submitted to the board for
- 8                review and approval;
- 9           (4) Notwithstanding any other law to the contrary, lease
- 10               public lands in a designated district and renew or
- 11               renegotiate any lease in connection with any project
- 12               contained in the redevelopment plan for the designated
- 13               district, on terms and conditions pursuant to section
- 14               171-E and consistent with the redevelopment plan;
- 15           (5) Prepare or cause to be prepared plans, design
- 16               criteria, landscaping, and estimates of costs for the
- 17               construction, rehabilitation, or repair of any project
- 18               contained in the redevelopment plan for the designated
- 19               district, and from time to time to modify the plans,
- 20               or estimates;



- 1           (6) Conduct studies in conjunction with county and state  
2           agencies necessary to determine the appropriate  
3           activities for redevelopment in the designated  
4           district;
- 5           (7) Reduce or waive the lease rental on any lease of  
6           public land for any project in the designated district  
7           that requires substantial improvements; provided that  
8           the reduction or waiver shall not exceed one year;
- 9           (8) Make and execute all contracts and instruments  
10          necessary for the exercise of its powers and functions  
11          relating to the designated district, including  
12          engaging of the services of consultants for rendering  
13          of professional and technical assistance and advice;
- 14          (9) Enter into a development agreement with a developer or  
15          developers for any project contained in the  
16          redevelopment plan; provided that the development  
17          agreement shall contain:
- 18                (A) A description of the location, area, and size of  
19                the parcel to be developed;
- 20                (B) The use or uses to which the parcel shall be put  
21                in conformance with the redevelopment plan and



1 with applicable state and county laws and  
2 ordinances;

3 (C) The period of time for the construction and  
4 completion of the redevelopment; and

5 (D) Other terms and conditions that the committee  
6 deems necessary;

7 (10) Work closely and communicate with the county to  
8 coordinate the execution of the designated district's  
9 planning, incremental projects, work schedules, public  
10 works, and budget; and

11 (11) Do any and all things necessary to carry out its  
12 purposes and exercise the powers given and granted in  
13 this part.

14 (b) Notwithstanding any law to the contrary, the committee  
15 shall be exempt from section 26-35(a)(1), (4), (5), and (6).

16 **§171-E District redevelopment plan.** (a) The committee  
17 shall prepare a redevelopment plan for the designated district,  
18 including district development policies, the district  
19 improvement program, necessary public facilities, and the  
20 development guidelines and rules for the designated district.

21 In carrying out its planning activities, the committee shall



1 comply with chapter 205A and applicable county building and  
2 zoning ordinances.

3 (b) The committee shall prepare a redevelopment plan for  
4 the designated district that:

5 (1) Establishes, if applicable, areas principally for:

6 (A) Commercial activities;

7 (B) Processing, construction, manufacturing,  
8 transportation, wholesaling, storage, and similar  
9 industrial activities;

10 (C) Resort and hotel activities, including uses that  
11 provide facilities and services for visitors; and

12 (D) Public facilities and recreational facilities,  
13 with detailed standards for height, bulk, size,  
14 and location of buildings;

15 (2) Includes a district-wide improvement program for  
16 necessary district-wide public facilities within the  
17 designated district;

18 (3) Includes plans, specifications, and estimates of the  
19 costs for the development, construction,  
20 reconstruction, or improvement of any project in the



- 1 designated district, and from time to time modify the  
2 plans, specifications, or estimates;
- 3 (4) If possible, identifies specific uses for areas in the  
4 designated district and the required parceling of land  
5 into minimum size areas related to the specific uses;
- 6 (5) Determines the lease rental that should be established  
7 for the specific uses and the terms and conditions of  
8 the leases;
- 9 (6) Establishes interim development controls to be  
10 implemented during the transition to the execution of  
11 the provisions of the redevelopment plan, such as  
12 recommending the holdover of a lessee pursuant to  
13 section 171-40 or issuance of permits pursuant to  
14 section 171-55 to existing lessees upon the expiration  
15 of their lease terms; and
- 16 (7) Allows the use of land or any building existing on the  
17 date the redevelopment plan is adopted to continue as  
18 a nonconforming use; provided that the nonconforming  
19 building shall not be replaced, expanded, or changed  
20 to another nonconforming use.



1 (c) The district redevelopment plan may provide for the  
2 withdrawal or taking for public purposes of public land or  
3 portion of public land under a lease. The rental shall be  
4 reduced in proportion to the value of the portion of the  
5 premises condemned, and the lessee shall be entitled to receive  
6 the proportionate value of the permanent improvements legally  
7 made to or constructed upon the land by the lessee taken in the  
8 proportion that it bears to the unexpired term of the lease.

9 (d) Prior to adoption, the committee shall hold a public  
10 hearing on a proposed redevelopment plan for the designated  
11 district and shall consider the comments received and  
12 incorporate any revisions to the plan that may be necessary.

13 (e) The committee shall submit an annual report on the  
14 progress of the redevelopment project to the board. The report  
15 may include the redevelopment plan recommended by the committee  
16 with its recommendations for appropriations by the legislature  
17 or the authorization of bonds or both, to implement the  
18 redevelopment plan in a timely manner. The board shall review  
19 and approve the recommended redevelopment plan and shall submit  
20 the report to the governor and the legislature with a request  
21 for the required appropriations and bond authorization.



1           **§171-F Designated redevelopment district revolving fund.**

2       (a) A separate revolving fund shall be established for each  
3       redevelopment district designated pursuant to section 171-B,  
4       into which shall be deposited:

5           (1) Fifty per cent of the revenues, income, and receipts  
6           of the department from the public lands in the  
7           designated district, notwithstanding section 171-19;

8           (2) Moneys appropriated by the legislature to the  
9           revolving fund; and

10          (3) Any gifts, grants, and other funds accepted by the  
11          committee.

12       Each revolving fund shall bear the name used by the legislature  
13       in designating the redevelopment district.

14          (b) Moneys in each designated redevelopment district  
15       revolving fund shall be expended by the committee and used in  
16       the designated district for the purposes of this part; provided  
17       that no expenditure shall be made from the fund and no  
18       obligation shall be incurred against the fund in excess of the  
19       amount standing to the credit of the fund.

20          (c) After the committee is dissolved, the unencumbered  
21       balance remaining in the corresponding redevelopment district



1 revolving fund shall be transferred to the special land and  
2 development fund established pursuant to section 171-19."

3 PART III

4 SECTION 3. The legislature designates the public lands on  
5 the Waiakea peninsula on the island of Hawaii as the Waiakea  
6 peninsula redevelopment district.

7 SECTION 4. The Waiakea peninsula redevelopment district  
8 shall include the area bounded by the shoreline from the  
9 intersection of Lihiwai street and Kamehameha avenue; Kamehameha  
10 avenue to its intersection with Kalaniana'ole avenue;  
11 Kalaniana'ole avenue to its intersection with Banyan way; Banyan  
12 way from its intersection with Kalaniana'ole avenue to its  
13 intersection with Banyan drive; from the intersection of Banyan  
14 way and Banyan drive to the shoreline; the shoreline around the  
15 Waiakea peninsula, including Mokuola island, to the intersection  
16 of Lihiwai street and Kamehameha avenue.

17 SECTION 5. There is established a Waiakea peninsula  
18 redevelopment district planning committee. The committee shall  
19 be appointed as provided in section 171-C, Hawaii Revised  
20 Statutes, and shall exercise the powers and duties in the  
21 designated district as authorized by chapter 171, part ,





1 Hawaii Revised Statutes. Pursuant to section 171-B(c), Hawaii  
2 Revised Statutes, the public lands within the Waiakea peninsula  
3 redevelopment district are transferred to the Waiakea peninsula  
4 redevelopment district planning committee.

5 SECTION 6. There is established the Waiakea peninsula  
6 redevelopment district revolving fund, into which shall be  
7 deposited:

- 8 (1) Fifty per cent of the revenues, income, and receipts  
9 from the public lands in the Waiakea peninsula  
10 redevelopment district;
- 11 (2) Moneys appropriated by the legislature to the  
12 revolving fund; and
- 13 (3) Any gifts, grants, and other funds accepted by the  
14 Waiakea peninsula redevelopment district planning  
15 committee.

16 The moneys in the revolving fund shall be used in the Waiakea  
17 peninsula redevelopment district for the purposes described in  
18 chapter 171, part , Hawaii Revised Statutes.

19 SECTION 7. There is appropriated out of the general  
20 revenues of the State of Hawaii the sum of \$ or so  
21 much thereof as may be necessary for fiscal year 2021-2022 and



1 the same sum or so much thereof as may be necessary for fiscal  
2 year 2022-2023 to be deposited into the Waiakea peninsula  
3 redevelopment district revolving fund.

4 SECTION 8. There is appropriated out of the Waiakea  
5 peninsula redevelopment district revolving fund the sum of  
6 \$ or so much thereof as may be necessary for fiscal  
7 year 2021-2022 and the same sum or so much thereof as may be  
8 necessary for fiscal year 2022-2023 for the purposes of this  
9 part.

10 The sums appropriated shall be expended by the department  
11 of land and natural resources for the purposes of this part.

12 PART IV

13 SECTION 9. Section 171-6, Hawaii Revised Statutes, is  
14 amended to read as follows:

15 "**§171-6 Powers.** Except as otherwise provided by law, the  
16 board of land and natural resources shall have the powers and  
17 functions granted to the heads of departments and the board of  
18 land and natural resources under chapter 26.

19 In addition to the foregoing, the board may:

- 20 (1) Adopt a seal;  
21 (2) Administer oaths;



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- 1           (3)   Prescribe forms of instruments and documents;
- 2           (4)   Adopt rules which, upon compliance with chapter 91,  
3                shall have the force and effect of law;
- 4           (5)   Set, charge, demand, and collect reasonable fees for  
5                the preparation of documents to be issued, for the  
6                surveying of public lands, and for the issuing of  
7                certified copies of its government records, which  
8                fees, when collected, shall be deposited into the  
9                state general fund, unless otherwise specified in this  
10              chapter;
- 11          (6)   Establish additional restrictions, requirements, or  
12              conditions, not inconsistent with those prescribed in  
13              this chapter, relating to the use of particular land  
14              being disposed of, the terms of sale, lease, license,  
15              or permit, and the qualifications of any person to  
16              draw, bid, or negotiate for public land;
- 17          (7)   Reduce or waive the lease rental at the beginning of  
18              the lease on any lease of public land to be used for  
19              any agricultural or pastoral use, or for resort,  
20              commercial, industrial, or other business use where  
21              the land being leased requires substantial



1 improvements to be placed thereon; provided that such  
2 reduction or waiver shall not exceed two years for  
3 land to be used for any agricultural or pastoral use,  
4 or exceed one year for land to be used for resort,  
5 commercial, industrial, or other business use;  
6 provided further that if a lease for resort,  
7 commercial, industrial, other business, or residential  
8 purposes requires a lessee to demolish existing  
9 improvements or provide basic infrastructure,  
10 including drainage, sewer, water, electricity, and  
11 other utilities before the lessee can make productive  
12 use of the land, the board may approve a reduction or  
13 waiver of lease rental for a period of up to twenty  
14 years that shall not exceed the amount of the lessee's  
15 total expenditures for demolition or provision of the  
16 infrastructure;

17 (8) Delegate to the chairperson or employees of the  
18 department of land and natural resources, subject to  
19 the board's control and responsibility, such powers  
20 and duties as may be lawful or proper for the  
21 performance of the functions vested in the board;

- 1           (9) Use arbitration under chapter 658A to settle any  
2           controversy arising out of any existing or future  
3           lease;
- 4           (10) Set, charge, and collect reasonable fees in an amount  
5           sufficient to defray the cost of performing or  
6           otherwise providing for the inspection of activities  
7           permitted upon the issuance of a land license  
8           involving a commercial purpose;
- 9           (11) Appoint masters or hearing officers to conduct public  
10          hearings as provided by law and under such conditions  
11          as the board by rules shall establish;
- 12          (12) Bring such actions as may be necessary to remove or  
13          remedy encroachments upon public lands. Any person  
14          causing an encroachment upon public land shall:
- 15                (A) Be fined not more than \$1,000 a day for the first  
16                offense;
- 17                (B) Be fined not less than \$1,000 nor more than  
18                \$4,000 per day upon the second offense and  
19                thereafter;



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- 1 (C) If required by the board, restore the land to its  
2 original condition if altered and assume the  
3 costs thereof;
- 4 (D) Assume such costs as may result from adverse  
5 effects from such restoration; and
- 6 (E) Be liable for administrative costs incurred by  
7 the department and for payment of damages;
- 8 (13) Set, charge, and collect interest and a service charge  
9 on delinquent payments due on leases, sales, or other  
10 accounts. The rate of interest shall not exceed one  
11 per cent a month and the service charge shall not  
12 exceed \$50 a month for each delinquent payment;  
13 provided that the contract shall state the interest  
14 rate and the service charge and be signed by the party  
15 to be charged;
- 16 (14) Set, charge, and collect additional rentals for the  
17 unauthorized use of public lands by a lessee,  
18 licensee, grantee, or permittee who is in violation of  
19 any term or condition of a lease, license, easement,  
20 or revocable permit, retroactive to the date of the  
21 occurrence of the violation. Such amounts shall be



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1           considered delinquent payments and shall be subject to  
2           interest and service charges as provided in paragraph  
3           (13);

4       (15) Set, charge, and collect reasonable fines for  
5           violation of this chapter or any rule adopted  
6           thereunder. Any person engaging in any prohibited use  
7           of public lands or conducting any prohibited activity  
8           on public lands, or violating any of the other  
9           provisions of this chapter or any rule adopted  
10          thereunder, for which violation a penalty is not  
11          otherwise provided, shall be:

12       (A) Fined not more than \$5,000 per violation for a  
13           first violation or a violation beyond five years  
14           of the last violation; provided that, after  
15           written or verbal notification from the  
16           department, an additional \$1,000 per day per  
17           violation may be assessed for each day in which  
18           the violation persists;

19       (B) Fined not more than \$10,000 per violation for a  
20           second violation within five years of the last  
21           violation; provided that, after written or verbal



1 notification from the department, an additional  
2 \$2,000 per day per violation may be assessed for  
3 each day in which the violation persists;

4 (C) Fined not more than \$20,000 per violation for a  
5 third or subsequent violation within five years  
6 of the last violation; provided that, after  
7 written or verbal notification from the  
8 department, an additional \$4,000 per day per  
9 violation may be assessed for each day in which  
10 the violation persists; and

11 (D) Liable for administrative costs and expenses  
12 incurred by the department and for payment for  
13 damages, including but not limited to natural  
14 resource damages.

15 In addition to the fines, administrative costs, and  
16 damages provided for hereinabove, for damage to or  
17 theft of natural resources, the board may also set,  
18 charge, and collect a fine that, in its discretion, is  
19 appropriate considering the value of the natural  
20 resource that is damaged or the subject of the theft.

21 In arriving at an appropriate fine, the board may





1 consider the market value of the natural resource  
2 damaged or taken and any other factor it deems  
3 appropriate, such as the loss of the natural resource  
4 to its natural habitat and environment and the cost of  
5 restoration or replacement. The remedies provided for  
6 in this paragraph are cumulative and in addition to  
7 any other remedies allowed by law.

8 No person shall be sanctioned pursuant to this section  
9 for the exercise of native Hawaiian gathering rights  
10 and traditional cultural practices as authorized by  
11 law or as permitted by the department pursuant to  
12 article XII, section 7, of the Hawaii state  
13 constitution;

14 (16) Issue revenue bonds, subject to the approval of the  
15 legislature. All revenue bonds shall be issued  
16 pursuant to part III of chapter 39, except as provided  
17 in this chapter. All revenue bonds shall be issued in  
18 the name of the department and not in the name of the  
19 State. The final maturity date of the revenue bonds  
20 may be any date not exceeding thirty years from the  
21 date of issuance;



- 1           (17) Pledge or assign all or any part of the receipts and  
2           revenues of the department. The revenue bonds shall  
3           be payable from and secured solely by the revenue  
4           derived by the department from the industrial park or  
5           parks for which the bonds are issued;
- 6           (18) Reimburse the state general fund for debt service on  
7           general obligation bonds or reimbursable general  
8           obligation bonds issued by the State for purposes of  
9           this chapter;
- 10          (19) Notwithstanding part II of chapter 205A to the  
11          contrary, plan, design, construct, operate, and  
12          maintain any lands or facilities under the  
13          jurisdiction of the division of boating and ocean  
14          recreation of the department without the need to  
15          obtain a special management area minor permit or  
16          special management area use permit; and
- 17          (20) Do any and all things necessary to carry out its  
18          purposes and exercise the powers granted in this  
19          chapter."



1 PART V

2 SECTION 10. Chapter 171, Hawaii Revised Statutes, is  
3 amended by adding a new section to part I to be appropriately  
4 designated and to read as follows:

5 "§171- Development of public lands in a redevelopment

6 area. (a) Notwithstanding any provision of law to the  
7 contrary, a local redevelopment agency created pursuant to  
8 section 53-2, with the prior approval of the council of the  
9 applicable county, approval of the governor, and authorization  
10 of the legislature by concurrent resolution, may negotiate a  
11 development agreement with a developer for commercial, business,  
12 or hotel or resort uses on public lands within a redevelopment  
13 area according to a redevelopment plan adopted by the local  
14 redevelopment agency pursuant to chapter 53.

15 (b) The development agreement shall provide for the  
16 leasehold disposition of the land and shall:

17 (1) Describe the land subject to the development  
18 agreement, including the location, area, and size of  
19 the land;

20 (2) Specify the permitted use or uses for the land;



- 1        (3) Require that the permitted use or uses conform with
- 2            all applicable state and county laws and ordinances;
- 3        (4) Include the start and completion dates of construction
- 4            negotiated with the developer;
- 5        (5) Specify the on-site and off-site improvements involved
- 6            with the development;
- 7        (6) Provide the lease commencement and termination dates
- 8            and rent requirements of the land specified in the
- 9            development agreement; and
- 10       (7) Include any other terms or conditions determined to be
- 11            necessary by the local redevelopment agency."

12        SECTION 11. Chapter 237, Hawaii Revised Statutes, is  
13 amended by adding a new section to be appropriately designated  
14 and to read as follows:

15        "§237-        **Redevelopment project.** (a) This chapter shall

16 not apply to amounts received from the construction of work or

17 improvements of a redevelopment project.

18        (b) For the purposes of this section:

19        "Construction of work or improvements of a redevelopment

20 project" includes any costs of design, engineering, labor, and

21 materials associated with the demolition and construction of a



1 redevelopment project that is part of the redevelopment plan  
2 adopted by a local redevelopment agency pursuant to chapter 53.

3 "Redevelopment project" shall have the same meaning as  
4 defined in section 53-1."

5 SECTION 12. Section 238-1, Hawaii Revised Statutes, is  
6 amended by amending the definition of "use" to read as follows:

7 ""Use" (and any nounal, verbal, adjectival, adverbial, and  
8 other equivalent form of the term) herein used interchangeably  
9 means any use, whether the use is of such nature as to cause the  
10 property, services, or contracting to be appreciably consumed or  
11 not, or the keeping of the property or services for such use or  
12 for sale, the exercise of any right or power over tangible or  
13 intangible personal property incident to the ownership of that  
14 property, and shall include control over tangible or intangible  
15 property by a seller who is licensed or who should be licensed  
16 under chapter 237, who directs the importation of the property  
17 into the State for sale and delivery to a purchaser in the  
18 State, liability and free on board (FOB) to the contrary  
19 notwithstanding, regardless of where title passes, but the term  
20 "use" shall not include:



1           (1) Temporary use of property, not of a perishable or  
2           quickly consumable nature, where the property is  
3           imported into the State for temporary use (not sale)  
4           therein by the person importing the same and is not  
5           intended to be, and is not, kept permanently in the  
6           State. For example, without limiting the generality  
7           of the foregoing language:

8           (A) In the case of a contractor importing permanent  
9           equipment for the performance of a construction  
10          contract, with intent to remove, and who does  
11          remove, the equipment out of the State upon  
12          completing the contract;

13          (B) In the case of moving picture films imported for  
14          use in theaters in the State with intent or under  
15          contract to transport the same out of the State  
16          after completion of such use; and

17          (C) In the case of a transient visitor importing an  
18          automobile or other belongings into the State to  
19          be used by the transient visitor while therein  
20          but which are to be used and are removed upon the  
21          transient visitor's departure from the State;



- 1           (2) Use by the taxpayer of property acquired by the  
2           taxpayer solely by way of gift;
- 3           (3) Use which is limited to the receipt of articles and  
4           the return thereof, to the person from whom acquired,  
5           immediately or within a reasonable time either after  
6           temporary trial or without trial;
- 7           (4) Use of goods imported into the State by the owner of a  
8           vessel or vessels engaged in interstate or foreign  
9           commerce and held for and used only as ship stores for  
10          the vessels;
- 11          (5) The use or keeping for use of household goods,  
12          personal effects, and private automobiles imported  
13          into the State for nonbusiness use by a person who:
- 14           (A) Acquired them in another state, territory,  
15           district, or country;
- 16           (B) At the time of the acquisition was a bona fide  
17           resident of another state, territory, district,  
18           or country;
- 19           (C) Acquired the property for use outside the State;  
20          and



1 (D) Made actual and substantial use thereof outside  
2 this State;  
3 provided that as to an article acquired less than  
4 three months prior to the time of its importation into  
5 the State it shall be presumed, until and unless  
6 clearly proved to the contrary, that it was acquired  
7 for use in the State and that its use outside the  
8 State was not actual and substantial;

9 (6) The leasing or renting of any aircraft or the keeping  
10 of any aircraft solely for leasing or renting to  
11 lessees or renters using the aircraft for commercial  
12 transportation of passengers and goods or the  
13 acquisition or importation of any such aircraft or  
14 aircraft engines by any lessee or renter engaged in  
15 interstate air transportation. For purposes of this  
16 paragraph, "leasing" includes all forms of lease,  
17 regardless of whether the lease is an operating lease  
18 or financing lease. The definition of "interstate air  
19 transportation" is the same as in 49 U.S.C. 40102;

20 (7) The use of oceangoing vehicles for passenger or  
21 passenger and goods transportation from one point to



- 1 another within the State as a public utility as  
2 defined in chapter 269;
- 3 (8) The use of material, parts, or tools imported or  
4 purchased by a person licensed under chapter 237 which  
5 are used for aircraft service and maintenance, or the  
6 construction of an aircraft service and maintenance  
7 facility as those terms are defined in section  
8 237-24.9;
- 9 (9) The use of services or contracting imported for resale  
10 where the contracting or services are for resale,  
11 consumption, or use outside the State pursuant to  
12 section 237-29.53(a); ~~and~~
- 13 (10) The use of property, services, or contracting imported  
14 by foreign diplomats and consular officials who are  
15 holding cards issued or authorized by the United  
16 States Department of State granting them an exemption  
17 from state taxes~~[-]~~; and
- 18 (11) The use of material, parts, or tools imported or  
19 purchased by a person licensed under chapter 237 that  
20 are used for the construction of work or improvements





# S.B. NO. 1000

**Report Title:**

DLNR; Public Lands; Redevelopment; Waiakea Peninsula;  
Appropriation

**Description:**

Authorizes the designation of areas or regions of public lands classified as commercial, industrial, resort and hotel, and the establishment and implementation of guidelines for the redevelopment of the areas or regions that will: (1) modernize the policies for the management of public lands in the designated area; (2) establish a plan for the designated area, including district-wide improvements, that is coordinated with state and county land use and planning policies; and (3) implement asset and property management concepts that can optimize income from the properties and evolve in response to changing principles of property administration. Designates the public lands on the Waiakea peninsula on the island of Hawaii as the Waiakea peninsula redevelopment district. Allows the department of land and natural resources to issue a rent reduction or waiver for certain lessee's expenses for demolition or provision of basic infrastructure. Authorizes a local redevelopment agency to contract with a developer for construction of non-residential projects on public land within a redevelopment area. Exempts the costs of construction of work or improvements of a redevelopment project from general excise and use taxes. Makes an appropriation.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

