

JAN 22 2007

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A BILL FOR AN ACT

RELATING TO LAND USE.

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

1           SECTION 1. The legislature finds that there are cases where  
2 lands reclassified by the land use commission to the urban  
3 district are undeveloped for many years after the  
4 reclassification. The legislature is concerned that in some  
5 cases conditions have changed so significantly that the  
6 development proposal as originally conceived may warrant review  
7 and reconsideration. The legislature also finds that premature  
8 urban or rural classification encourages speculative land banking  
9 and creates uncertainty in the buildout of planned urban or rural  
10 capacity and associated infrastructure. This bill provides for  
11 the development of a use-it-or-lose-it mechanism to ensure more  
12 effective timing of development of planned or approved urban or  
13 rural capacity.

14           SECTION 2. Chapter 205, Hawaii Revised Statutes, is amended  
15 by adding a new section to be appropriately designated and to  
16 read as follows:

17           "§205-    Reversion of district classification. (a) The  
18 commission shall establish a process, including conducting public  
19 hearings under Chapter 91, Hawaii Revised Statutes, to develop  
20 deadlines for substantial progress in the development for any

1 petition approved for reclassification to the urban or rural  
2 district. In developing guidelines for reclassification  
3 deadlines, the commission may consult with petitioners in prior  
4 land use classifications proceedings, prior land use  
5 classifications parties on the record, land use experts,  
6 environmental experts, people knowledgeable in transportation and  
7 related infrastructure impacts, elected officials and community  
8 representatives.

9 (b) By December 31, 2008 the commission shall adopt rules  
10 pursuant to Chapter 91 to guide the commission's process to  
11 identify deadlines for substantial progress in the development of  
12 any petition for reclassification to the urban or rural district.

13 (c) The recommendations of the commission and subsequent  
14 implementation of a use-it-or-lose-it policy shall not apply to  
15 land that is the subject of a state- or county-initiated petition  
16 for a regional boundary amendment based upon a regional boundary  
17 review; nor shall it apply to any petition approved by the  
18 commission or accepted for filing by the commission prior to the  
19 effective date of the adoption of a use-it-or-lose-it system."

20 SECTION 3. The commission shall hold a series of hearings  
21 in each county to gather input on this issue. The commission  
22 shall prepare a report on the recommendations brought forth in  
23 such hearings and submit the report to the Legislature and  
24 Governor prior to the 2008 session.

S.B. NO. 1368

1 SECTION 4. There is appropriated out of the general  
2 revenues the sum of \$50,000 in fiscal year 2007-2008 for the  
3 purpose of carrying out the provisions of this Act. The land use  
4 commission within the department of business, economic  
5 development and tourism, shall be the expending agency

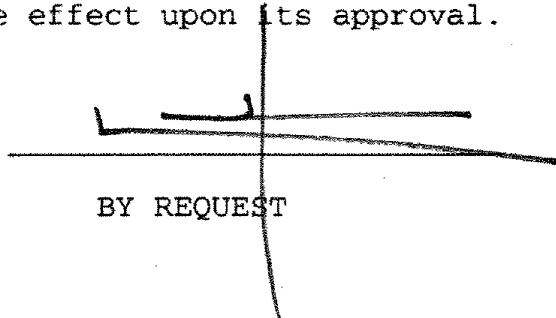
6 SECTION 5. New statutory material is underscored.

7 SECTION 6. This Act shall take effect upon its approval.

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INTRODUCED BY:



BY REQUEST

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JUSTIFICATION SHEET

DEPARTMENT: Business, Economic Development, and  
Tourism

TITLE: A BILL FOR AN ACT RELATING TO LAND USE.

PURPOSE: The purpose of the bill is to set up a  
process for determining when land use  
classifications should be rescinded  
because they have not been exercised.

MEANS: Add a new section to chapter 205, Hawaii  
Revised Statutes.

JUSTIFICATION: The bill provides for the development of a  
use-it-or-lose-it mechanism to ensure more  
effective development of planned or  
approved urban capacity. The goal would  
be to stem speculative land banking. The  
establishment of a use-it-or-lose-it  
mechanism would enable greater certainty  
in the buildout of planned urban or rural  
capacity, and would address inefficiencies  
in the land use system.

The goal would be to increase the  
effectiveness of the Commission's  
decisions and enhance implementation of  
the state land use law.

Impact on the public: The proposal would  
establish a process whereby the Land Use  
Commission could place limits on the  
length of time an urban or rural land  
reclassification remained in effect.

Impact on the department: The Land Use  
Commission will hold public hearings to  
establish an agreed to use-it-or-lose-it  
process and would need to amend their  
rules to implement the procedure.

GENERAL FUND: \$50,000 in FY 2007-2008.

OTHER FUNDS: None.

PPBS PROGRAM

DESIGNATION: BED-103.

OTHER AFFECTED AGENCIES: Land Use Commission, County planning and permitting departments.

EFFECTIVE DATE: Upon approval.