

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

April 9, 2020

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

Statewide

Report to the Board of Land and Natural Resources on the Impacts of the COVID-19 Pandemic on Lessees, Permittees, Concessionaires and Easement Holders of the Department of Land and Natural Resources (DLNR) and Department of Transportation (DOT), and DLNR's and DOT's Plan for Responding to Requests for Rent Relief from Lessees, Permittees, Concessionaires and Easement Holders Statewide.

APPLICANTS:

Department of Land and Natural Resources (DLNR) and Department of Transportation (DOT).

LEGAL REFERENCE:

Governor's Emergency Proclamation for COVID-19 dated March 4, 2020 and subsequent Supplementary Proclamations dated March 16, 21, and 23, 2020.

LOCATION:

Statewide.

TRUST LAND STATUS:

Various, including ceded lands (Section 5(b) of the Hawaii Admission Act), including some subject to DHHL 30% entitlement pursuant to the Hawaii State Constitution.

CHARACTER OF USE:

Various including commercial, industrial, residential, agricultural, parking and other purposes.

NON-ACTION ITEM

ITEM D-8

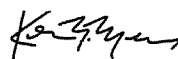
REMARKS:

DLNR and DOT have received numerous requests from lessees, permittees and concessionaires statewide for rent relief as result of the COVID-19 pandemic and emergency proclamations implemented by the Governor and various mayors to halt the spread of the coronavirus. Hotels, restaurants and many other businesses throughout the State have had to severely curtail or cease operations, including laying off employees, while customers stay at home. Tourist arrivals to the State are down by more than 80% from this time last year.

In view of the State's economic distress, DLNR and DOT believe it would be unreasonable to require those lessees, permittees, concessionaires and easement holders negatively impacted by the pandemic to continue to pay full rent on time or to default them for missing payments during this period. While it is not clear that DLNR or DOT can waive rent under the circumstances, it is generally acknowledged by DLNR, DOT and the Department of the Attorney General that rent payments can be deferred based on a showing of need. Accordingly, DLNR and DOT intend to adopt a policy to allow the deferral of rent for State lands under their jurisdiction when the lessee, permittee, concessionaire, or easement holder requests deferral and can establish a negative impact to their business or financial situation as a result of the pandemic. All deferred rent payments would need to be made up within a reasonable time specified by the departments, but no interest or penalties would be charged on deferred amounts.

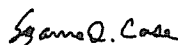
Congress recently passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which may provide some economic relief to State lessees and others. However, it will take time for the State's lessees, permittees, concessionaires and easement holders to evaluate whether CARES and other federal laws addressing the virus can help them. It is also possible the State Legislature may pass State laws regarding relief from the economic impacts of the virus. In the near term, however, DLNR and DOT believe that rent deferral will help those lessees, permittees, concessionaires and easement holders who need immediate relief from payments to the State for use of public land.

Respectfully Submitted,



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APPROVED FOR SUBMITTAL:



Suzanne D. Case, Chairperson

RT

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