

STAND. COM. REP. NO.

282

Honolulu, Hawaii

FEB 10 , 2025

RE: H.B. No. 1351
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred H.B. No. 1351 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED,"

begs leave to report as follows:

The purpose of this measure is to increase the limit of the State's liability for monies borrowed by the Department of Hawaiian Home Lands or loans made to lessees that are guaranteed by the Department from \$100,000,000 to \$500,000,000.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands and two individuals. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that, despite the historic \$600,000,000 investment by the State into Hawaiian home lands in 2022, various factors have increased the cost of housing, including higher mortgage interest rates, increasing construction costs, and inflation. As a result, the Department of Hawaiian Home Lands has faced rising expenses in the construction of housing. This measure raises the liability cap, which will allow the Department to secure, pledge, or guarantee loan repayments up to \$500,000,000.

2025-1342 HB1351 HD1 HSCR HMSO



Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that the Department of Budget and Finance, in its written testimony, raised concerns that the increase in the liability limit will affect the amount of general obligation bonds the State may issue within the debt limit. As such, the Department stated that the State will need to appropriate general funds to cover the liability if the guarantee is called. Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to give due consideration to the concerns raised by the Department of Budget and Finance.

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1351, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1351, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



DAVID A. TARNAS, Chair



State of Hawaii
House of Representatives
The Thirty-third Legislature

HSCR 282

Record of Votes of the Committee on Judiciary & Hawaiian Affairs

Bill/Resolution No.: HB 1351	Committee Referral: JHA, FIN	Date: 1/31/25		
<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)				
JHA Members	Ayes	Ayes (WR)	Nays	Excused
1. TARNAS, David A. (C)	✓			
2. POEPOE, Mahina (VC)	✓			
3. BELATTI, Della Au	✓			
4. COCHRAN, Elle				✓
5. HASHEM, Mark J.	✓			
6. KAHALOA, Kirstin	✓			
7. PERRUSO, Amy A.	✓			
8. TAKAYAMA, Gregg	✓			
9. TODD, Chris				✓
10. GARCIA, Diamond	✓			
11. SHIMIZU, Garner M.	✓			
TOTAL (11)	9	0	0	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				