## A BILL FOR AN ACT

RELATING TO LANDS CONTROLLED BY THE STATE.

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

1	SECII	on 1. Section 1/1-64.7, nawall Revised Statutes, is
2	amended by	amending subsection (f) to read as follows:
3	"(f)	This section shall not apply to [sales]:
4	<u>(1)</u>	Sales or gifts of lands described in subsection (a)
5		between state departments or agencies[, to sales];
6	(2)	Sales of available lands under the Hawaiian Homes
7		Commission Act[ <del>, or to the fee</del> ];
8	(3)	Fee simple [sale] sales of affordable homes on lands
9		not classified as government or crown lands previous
10		to August 15, 1895, or exchanged subsequent to August
11		15, 1895, for lands classified as government or crown
12		lands previous to August 15, 1895, that are subject to
13		resale restrictions as set forth in section 201H-47
14		and that were acquired by the Hawaii housing finance
15		and development corporation either at a foreclosure
16		sale or under a buyback as authorized in section 201H-
17		47[-]: or

# <u>и</u>.В. NO. 4 > 3

1	<u>(4)</u> <u>Indi</u>	vidual sales of the leased fee interest in a
2	leas	ehold condominium unit or single family house lot
3	to i	ts lessee by the Hawaii housing finance and
4	deve	lopment corporation; provided that:
5	<u>(A)</u>	One of the corporation's predecessor agencies
6		approved the sale of the leased fee interest to
7		lessees of the condominium or development in
8		which the unit or house lot is located no later
9		than November 4, 1994;
10	(B)	The leased fee interest in more than fifty per
11		cent of all units in the condominium or
12		development in which the unit or house lot is
13		located was sold or otherwise transferred prior
14		to July 13, 2009; and
15	<u>(C)</u>	The sale is to the lessee of record of the unit
16		or house lot."
17	SECTION 2	. Statutory material to be repealed is bracketed
18	and stricken.	New statutory material is underscored.
19	SECTION 3	. This Act shall take effect upon its approval.
20		
21		INTRODUCED BY:
22		BY REQUEST
		JAN 2 5 2021

### H.B. NO. 4>3

#### Report Title:

Lands Controlled by the State; Exemption from Legislative Approval of Sale or Gift of Lands

### Description:

Exempts from legislative approval the sale of the leased fee interest in certain affordable leasehold developments by the Hawaii Housing Finance and Development Corporation.

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

H.B. N. 903

### JUSTIFICATION SHEET

DEPARTMENT: Business, Economic Development, and Tourism

TITLE: A BILL FOR AN ACT RELATING TO LANDS

CONTROLLED BY THE STATE.

PURPOSE: To exempt from legislative approval, the

sale of the leased fee interest in certain

Hawaii Housing Finance and Development

Corporation affordable leasehold

developments.

MEANS: Amend section 171-64.7, Hawaii Revised

Statutes.

JUSTIFICATION: The process of obtaining legislative

approval of the sale of the leased fee interest in state-owned land is a costly and

burdensome process that takes individual homeowners over a full calendar to complete before the sale can be closed, assuming that

the legislature approves the proposed sale.

The intent of Act 176, Session Laws of Hawaii 2009, as codified in \$171-64.7,

Hawaii Revised Statutes, was to "establish a more comprehensive process for the sale of state-owned land, and to reserve a larger role for the legislature to assure that key information about certain sales or exchanges of land is shared with the legislature." This intent has little application to individual condominium units and house lots in developments constructed several decades

ago, and in which the majority of their neighbors had already acquired the leased

fee interest in their homes. Therefore, it makes sense to exempt homes in these

developments.

Impact on the public: Will save the
administrative costs of shepherding these
homes through the legislative approvals
process.

Impact on the department and other agencies: Will reduce administrative burden of continually processing individual condominium units and house lots in the same developments as homeowners become able to purchase the leased fee interest to their homes.

GENERAL FUND:

None.

OTHER FUNDS:

None.

PPBS PROGRAM

DESIGNATION:

BED 160.

OTHER AFFECTED

AGENCIES:

Office of Hawaiian Affairs.

EFFECTIVE DATE:

Upon approval.