

JAN 21 2021

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# A BILL FOR AN ACT

RELATING TO LEASEHOLD CONDOMINIUMS ON STATE LAND.

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

1 SECTION 1. Chapter 201H, Hawaii Revised Statutes, is  
2 amended by adding a new section to part II to be appropriately  
3 designated and to read as follows:

4 "§201H- Leasehold condominiums on state land. (a) The  
5 corporation may sell leasehold units in condominiums created  
6 pursuant to chapter 514B and developed under this part on state  
7 land to a "qualified resident" as defined in section 201H-32;  
8 provided that, prior to the sale of any leasehold unit in any  
9 condominium, the corporation shall establish rules pursuant to  
10 chapter 91 that provide for the transfer of a certain percentage  
11 or number of leasehold units within the same condominium to the  
12 department of Hawaiian home lands or to the office of Hawaiian  
13 affairs.

14 (b) The term of the lease shall not exceed ninety-nine  
15 years and shall not be extended beyond the initial ninety-nine  
16 year term.



1        (c) State land set aside by the governor to the  
2 corporation and lands leased to the corporation by any  
3 department or agency of the State for a condominium described in  
4 this section shall be exempt from the definition of "public  
5 lands" under section 171-2; provided that the corporation lands  
6 shall be included for purposes of calculating the proceeds and  
7 income from public lands subject to section 5(f) of the  
8 Admission Act; provided further that any sale, gift, or exchange  
9 of real property shall be subject to the terms, conditions, and  
10 restrictions applicable to the sale, gift, or exchange of public  
11 lands in sections 171-50 and 171-64.7.

12        (d) The powers conferred upon the corporation by this  
13 section shall be in addition and supplemental to the powers  
14 conferred by any other law, and nothing in this section shall be  
15 construed as limiting any powers, rights, privileges, or  
16 immunities so conferred."

17        SECTION 2. Chapter 206E, Hawaii Revised Statutes, is  
18 amended by adding a new section to part I to be appropriately  
19 designated and to read as follows:

20        "§206E-    Leasehold condominiums on state land. (a) The  
21 authority may sell leasehold units in condominiums created



1 pursuant to chapter 514B and developed under this part on state  
2 land to a "qualified resident" as defined in section 201H-32;  
3 provided that, prior to the sale of any leasehold unit in any  
4 condominium, the authority shall establish rules pursuant to  
5 chapter 91 that provide for the transfer of a certain percentage  
6 or number of leasehold units within the same condominium to the  
7 department of Hawaiian home lands or to the office of Hawaiian  
8 affairs.

9 (b) The term of the lease shall not exceed ninety-nine  
10 years and shall not be extended beyond the initial ninety-nine  
11 year term.

12 (c) State land set aside by the governor to the authority  
13 and lands leased to the authority by any department or agency of  
14 the State for a condominium described in this section shall be  
15 exempt from the definition of "public lands" under section  
16 171-2; provided that the authority lands shall be included for  
17 purposes of calculating the proceeds and income from public  
18 lands subject to section 5(f) of the Admission Act; provided  
19 further that any sale, gift, or exchange of real property shall  
20 be subject to the terms, conditions, and restrictions applicable



1 to the sale, gift, or exchange of public lands in sections  
2 171-50 and 171-64.7.

3 (d) The powers conferred upon the authority by this  
4 section shall be in addition and supplemental to the powers  
5 conferred by any other law, and nothing in this section shall be  
6 construed as limiting any powers, rights, privileges, or  
7 immunities so conferred."

8 SECTION 3. Chapter 356D, Hawaii Revised Statutes, is  
9 amended by adding a new section to part I to be appropriately  
10 designated and to read as follows:

11 **"§356D- Leasehold condominiums on state land.** (a) The  
12 authority may sell leasehold units in condominiums created  
13 pursuant to chapter 514B and developed under this part on state  
14 land to a "qualified resident" as defined in section 201H-32;  
15 provided that, prior to the sale of any leasehold unit in any  
16 condominium, the authority shall establish rules pursuant to  
17 chapter 91 that provide for the transfer of a certain percentage  
18 or number of leasehold units within the same condominium to the  
19 department of Hawaiian home lands or to the office of Hawaiian  
20 affairs.



1        (b) The term of the lease shall not exceed ninety-nine  
2 years and shall not be extended beyond the initial ninety-nine  
3 year term.

4        (c) State land set aside by the governor to the authority  
5 and lands leased to the authority by any department or agency of  
6 the State for a condominium described in this section shall be  
7 exempt from the definition of "public lands" under section  
8 171-2; provided that the authority lands shall be included for  
9 purposes of calculating the proceeds and income from public  
10 lands subject to section 5(f) of the Admission Act; provided  
11 further that any sale, gift, or exchange of real property shall  
12 be subject to the terms, conditions, and restrictions applicable  
13 to the sale, gift, or exchange of public lands in sections  
14 171-50 and 171-64.7.

15        (d) The powers conferred upon the authority by this  
16 section shall be in addition and supplemental to the powers  
17 conferred by any other law, and nothing in this section shall be  
18 construed as limiting any powers, rights, privileges, or  
19 immunities so conferred."

20        SECTION 4. Section 171-2, Hawaii Revised Statutes, is  
21 amended to read as follows:



1           **"§171-2 Definition of public lands.** "Public lands" means  
2 all lands or interest therein in the State classed as government  
3 or crown lands previous to August 15, 1895, or acquired or  
4 reserved by the government upon or subsequent to that date by  
5 purchase, exchange, escheat, or the exercise of the right of  
6 eminent domain, or in any other manner; including lands accreted  
7 after May 20, 2003, and not otherwise awarded, submerged lands,  
8 and lands beneath tidal waters that are suitable for  
9 reclamation, together with reclaimed lands that have been given  
10 the status of public lands under this chapter, except:

- 11           (1) Lands designated in section 203 of the Hawaiian Homes  
12           Commission Act, 1920, as amended;
- 13           (2) Lands set aside pursuant to law for the use of the  
14           United States;
- 15           (3) Lands being used for roads and streets;
- 16           (4) Lands to which the United States relinquished the  
17           absolute fee and ownership under section 91 of the  
18           Hawaiian Organic Act prior to the admission of Hawaii  
19           as a state of the United States unless subsequently  
20           placed under the control of the board of land and  
21           natural resources and given the status of public lands



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- 1 in accordance with the state constitution, the  
 2 Hawaiian Homes Commission Act, 1920, as amended, or  
 3 other laws;
- 4 (5) Lands to which the University of Hawaii holds title;
- 5 (6) Lands to which the Hawaii housing finance and  
 6 development corporation in its corporate capacity  
 7 holds title[+] and state lands set aside by the  
 8 governor and lands leased to the Hawaii housing  
 9 finance and development corporation by any department  
 10 or agency of the State for a condominium described in  
 11 section 201H- ;
- 12 (7) Lands to which the Hawaii community development  
 13 authority in its corporate capacity holds title[+] and  
 14 state lands set aside to the Hawaii community  
 15 development authority by the governor and lands leased  
 16 by any department or agency of the State for a  
 17 condominium described in section 206E- ;
- 18 (8) Lands set aside by the governor to the Hawaii public  
 19 housing authority or lands to which the Hawaii public  
 20 housing authority in its corporate capacity holds  
 21 title[+] and state lands set aside to the Hawaii



1           community development authority by the governor and  
2           lands leased by any department or agency of the State  
3           for a condominium described in section 356D- ;

4           (9) Lands to which the department of agriculture holds  
5           title by way of foreclosure, voluntary surrender, or  
6           otherwise, to recover moneys loaned or to recover  
7           debts otherwise owed the department under chapter 167;

8           (10) Lands that are set aside by the governor to the Aloha  
9           Tower development corporation; lands leased to the  
10          Aloha Tower development corporation by any department  
11          or agency of the State; or lands to which the Aloha  
12          Tower development corporation holds title in its  
13          corporate capacity;

14          (11) Lands that are set aside by the governor to the  
15          agribusiness development corporation; lands leased to  
16          the agribusiness development corporation by any  
17          department or agency of the State; or lands to which  
18          the agribusiness development corporation in its  
19          corporate capacity holds title;

20          (12) Lands to which the Hawaii technology development  
21          corporation in its corporate capacity holds title; and



1           (13) Lands to which the department of education holds  
2                   title;  
3 provided that, except as otherwise limited under federal law and  
4 except for state land used as an airport as defined in section  
5 262-1, public lands shall include the air rights over any  
6 portion of state land upon which a county mass transit project  
7 is developed after July 11, 2005."

8           SECTION 5. Section 171-64.7, Hawaii Revised Statutes, is  
9 amended by amending subsection (a) to read as follows:

10           "(a) This section applies to all lands or interest therein  
11 owned or under the control of state departments and agencies  
12 classed as government or crown lands previous to August 15,  
13 1895, or acquired or reserved by the government upon or  
14 subsequent to that date by purchase, exchange, escheat, or the  
15 exercise of the right of eminent domain, or any other manner,  
16 including accreted lands not otherwise awarded, submerged lands,  
17 and lands beneath tidal waters that are suitable for  
18 reclamation, together with reclaimed lands that have been given  
19 the status of public lands under this chapter, including:

20           (1) Land set aside pursuant to law for the use of the  
21                   United States;



- 1           (2) Land to which the United States relinquished the  
2           absolute fee and ownership under section 91 of the  
3           Organic Act prior to the admission of Hawaii as a  
4           state of the United States;
- 5           (3) Land to which the University of Hawaii holds title;
- 6           (4) Land to which the Hawaii housing finance and  
7           development corporation in its corporate capacity  
8           holds title~~[?]~~, state land set aside to the Hawaii  
9           housing finance and development corporation by the  
10           governor and land leased to the Hawaii housing finance  
11           and development corporation by any department or  
12           agency of the State;
- 13           (5) Land to which the department of agriculture holds  
14           title by way of foreclosure, voluntary surrender, or  
15           otherwise, to recover moneys loaned or to recover  
16           debts otherwise owed the department under chapter 167;
- 17           (6) Land that is set aside by the governor to the Aloha  
18           Tower development corporation; or land to which the  
19           Aloha Tower development corporation holds title in its  
20           corporate capacity;



- 1           (7) Land that is set aside by the governor to the
- 2                   agribusiness development corporation; or land to which
- 3                   the agribusiness development corporation in its
- 4                   corporate capacity holds title;
- 5           (8) Land to which the Hawaii technology development
- 6                   corporation in its corporate capacity holds title;
- 7           (9) Land to which the department of education holds title;
- 8                   ~~and~~
- 9           (10) Land to which the Hawaii public housing authority in
- 10                   its corporate capacity holds title~~[-]~~, state land set
- 11                   aside to the Hawaii public housing authority by the
- 12                   governor and land leased to the Hawaii public housing
- 13                   authority by any department or agency of the State;
- 14                   and
- 15           (11) Land to which the Hawaii community development
- 16                   authority in its corporate capacity holds title, state
- 17                   land set aside to the Hawaii community development
- 18                   authority by the governor, and land leased to the
- 19                   Hawaii community development authority by any
- 20                   department or agency of the State."



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1 SECTION 6. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

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

4

INTRODUCED BY: 



# S.B. NO. 24

**Report Title:**

Leases; Leasehold Condominiums on State Land; Hawaii Community Development Authority; Hawaii Housing Finance and Development Corporation; Hawaii Public Housing Authority

**Description:**

Authorizes the Hawaii housing finance and development corporation, Hawaii community development authority, and Hawaii public housing authority to sell leasehold units in residential condominiums located on state lands.

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

