

JAN 26 2022

A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS.

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

1 SECTION 1. The legislature finds that tourism is the
2 State's top industry due to Hawaii's natural and cultural
3 amenities. The legislature further recognizes that a strong
4 visitor industry may also bring higher population growth,
5 greater external housing demand, and higher housing prices. An
6 increase in visitor arrivals, the pressure of visitor demand for
7 units outside of resort areas, and the advance of Internet
8 booking sites have all contributed to decreasing the available
9 residential housing stock. Further, vacation rental units
10 increase rents and decrease affordability of units, thereby
11 driving up rents and inflating demand for investment properties
12 at the high end of the market.

13 The legislature finds that planning for an economy
14 dominated by tourism undermines planning for native Hawaiian
15 communities. In part, due to vacation rentals and domestic
16 migration, the percentage of native Hawaiian homeownership has
17 decreased, and the percentage of native Hawaiian renters



1 increased. The legislature also finds that the greatest
2 disparity in income is per capita income between native
3 Hawaiians and the state population, leading to higher poverty
4 rates for native Hawaiians. Thirty-two per cent of native
5 Hawaiian households are considered at risk for homelessness
6 compared to twenty-three per cent of non-native Hawaiian
7 households.

8 The Hawaiian Homes Commission Act of 1920, as amended,
9 created a land trust intended to enable displaced native
10 Hawaiians to lease residential, agriculture, or pastoral
11 homestead land from the trust for one dollar per year. To date,
12 more than two thousand native Hawaiian beneficiaries have died
13 while on the Hawaiian homes waiting list for a home land lease,
14 and twenty-eight thousand beneficiaries currently remain on the
15 list. The department of Hawaiian home lands recently estimated
16 that to house all beneficiaries on the waitlist, cost
17 projections range between \$4,000,000,000 to \$12,000,000,000 for
18 infrastructure alone. Further, the department of Hawaiian home
19 lands' shift to more expensive housing development may have
20 exacerbated the problem of people staying on the waiting list



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1 for extended periods of time, and beneficiaries have been unable
2 to secure the necessary financing for homes on the property.

3 Therefore, the purpose of this Act is to provide the
4 opportunity for incoming travelers to make a voluntary
5 contribution toward the development of infrastructure and
6 residential lots intended to improve the general welfare and
7 conditions of native Hawaiian beneficiaries as defined by the
8 Hawaiian Homes Commission Act of 1920, as amended.

9 SECTION 2. Chapter 201B, Hawaii Revised Statutes, is
10 amended by adding a new section to be appropriately designated
11 and to read as follows:

12 "§201B- Voluntary Hawaiian home lands infrastructure
13 contribution. (a) The authority shall provide to each
14 passenger of any aircraft or vessel originating from outside the
15 State a form with information regarding the department of
16 Hawaiian home lands and its mission of rehabilitating native
17 Hawaiians and Hawaiian homestead communities. The form shall
18 include an option for the passenger to make a voluntary
19 contribution to the department of Hawaiian home lands for the
20 building of infrastructure and residential lots on Hawaiian home
21 lands. The option shall be conspicuously printed on the form



1 and the language of the option shall clearly state that the
2 option is voluntary. The department of Hawaiian home lands
3 shall approve the information to be printed on each form.

4 (b) The authority shall collect and keep all records of
5 all contributions collected pursuant to this section and shall
6 provide receipts to all passengers who elect to contribute.

7 (c) The authority shall remit all contributions collected
8 pursuant to this section to the department of Hawaiian home
9 lands. The department of Hawaiian home lands shall deposit the
10 contributions at the end of each fiscal year into the native
11 Hawaiian rehabilitation fund established under section 213 of
12 the Hawaiian Homes Commission Act, 1920, as amended.

13 (d) The authority may adopt rules pursuant to chapter 91
14 to implement this section."

15 SECTION 3. Section 213 of the Hawaii Homes Commission Act
16 of 1920, as amended, is amended by amending subsection (i) to
17 read as follows:

18 "(i) Native Hawaiian rehabilitation fund. Pursuant to
19 Article XII, Section 1, of the Hawaii Constitution, thirty per
20 cent of the state receipts, derived from lands previously
21 cultivated as sugarcane lands under any other provision of law



1 and from water licenses, and contributions collected pursuant to
2 section 201B- , Hawaii Revised Statutes, shall be deposited
3 into this fund. The department shall use this money for the
4 rehabilitation of native Hawaiians, native Hawaiian families,
5 and Hawaiian homestead communities, which shall include the
6 educational, economic, political, social, and cultural processes
7 by which the general welfare and conditions of native Hawaiians
8 are thereby improved and perpetuated.

9 The native Hawaiian rehabilitation fund shall be subject to
10 the following conditions:

- 11 (1) All moneys received by the fund shall be deposited
12 into the state treasury and kept separate and apart
13 from all other moneys in the state treasury;
- 14 (2) The director of finance shall serve as a custodian of
15 the fund. All payments from the fund shall be made by
16 the director of finance only upon vouchers approved by
17 the commission;
- 18 (3) The commission shall develop guidelines for the
19 investment of moneys in the fund;
- 20 (4) The commission may invest and reinvest in investments
21 authorized by chapter 88, Hawaii Revised Statutes.



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1 The commission may hold, purchase, sell, assign,
 2 transfer, or dispose of any securities and investments
 3 in which any of the moneys shall have been invested,
 4 as well as the proceeds of such investments; and

5 (5) The commission may pay out of any of the moneys held
 6 for investment, a reasonable amount to any person for
 7 supplying investment advisory or consultive services;
 8 and to meet such other costs incident to the prudent
 9 investment of moneys as the commission may approve.

10 Any payment of principal, interest, or other earnings
 11 arising out of the loan or investment of money from this fund
 12 shall be credited to and deposited into this fund.

13 Sections 214, 215, 216, and 217 shall not apply to
 14 administration of this fund. The department is authorized to
 15 adopt rules under chapter 91, Hawaii Revised Statutes, necessary
 16 to administer and carry out the purposes of this fund."

17 SECTION 4. New statutory material is underscored.

18 SECTION 5. This Act shall take effect on July 1, 2022.

19

INTRODUCED BY: _____




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Report Title:

Department of Hawaiian Home Lands; Infrastructure; Optional Contribution; Tourism

Description:

Requires the Hawaii Tourism Authority to prepare a form to be distributed to all travelers to Hawaii informing them of the mission of the department of Hawaiian home lands and including an option to contribute a sum earmarked for the development of infrastructure and residential lots on Hawaiian home lands.

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