STAND. COM. REP. NO. 184

Honolulu, Hawaii

FEB 11 , 2021

RE: H.B. No. 1124 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2021 State of Hawaii

## Sir:

Your Committee on Water & Land, to which was referred H.B. No. 1124 entitled:

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

begs leave to report as follows:

The purpose of this measure is to amend the Hawaiian Homes Commission Act to:

- (1) Require appraisals of improvements to identify the replacement cost or the leasehold market value;
- (2) Grant authority to the Department of Hawaiian Home Lands to authorize second position loans on homestead leases by approved lenders;
- (3) Require the Department of Hawaiian Home Lands to develop and implement a loan servicing manual, subject to commission approval, to standardize loan loss mitigation policies, procedures, and methods; and
- (4) Clarify that the Department of Hawaiian Home Lands shall not cancel a lease solely based on a loan default or delinquency unless all loan loss mitigation procedures are exhausted pursuant to the loan services manual.

Your Committee received testimony in support of this measure from the Sovereign Council of Hawaiian Homestead Associations. Your Committee received comments on this measure from the Department of Hawaiian Home Lands.

Your Committee finds that this measure attempts to provide adequate improvement asset valuations, access to second position equity capital, and loan servicing best practices to native Hawaiian families on Hawaiian home lands. While your Committee recognizes the uniqueness of Hawaiian home lands, your Committee urges the Department of Hawaiian Home Lands to work with the Sovereign Council of Hawaiian Homestead Associations to find common ground on this measure as it moves through the legislative process.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water & Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1124, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1124, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

Respectfully submitted on behalf of the members of the Committee on Water & Land,

DAVID A. TARNAS, Chair

## State of Hawaii House of Representatives The Thirty-first Legislature

HSCR184

## Record of Votes of the Committee on Water & Land

Bill/Resolution No.: HB1124	Committee Referral: WAVI	tA, FIN Date:	2/9/	2021
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  □ Pass, unamended (as is) □ Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit)				
WAL Members	Ayes	Ayes (WR)	Nays	Excused
1. TARNAS, David A. (C)	7			
2. BRANCO, Patrick Pihana (VC)				
3. GANADEN, Sonny	<u>,</u>		<b>**</b>	
J. Grittelli, Some			<u> </u>	
4. KOBAYASHI, Bertrand	as San Anton Manimus And Main, philadeline 444 and a na sa Madh éa an leadh é an	カ	<u> 1847 - Amberto Amerika, arganiza</u>	and the state of t
5. KONG, Sam Satoru	7		FOLICA VENETINE CONTRACTOR	
6. MORIKAWA, Dee	<b>で</b>		2.11	
7. OHNO, Takashi	Ø		das eta la	
7. Offico, Taxasm				
8. McDERMOTT, Bob		And the second s	and communications and selections to hope and	7
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momit (a)			•	1
TOTAL (8)	5	1	1	1
The recommendation is:  Adopted  If joint referral,  Committee (cronym(s))  Adopted  did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) Chief Clerk's Office Duplicate (Pink) – HMSO				