## A BILL FOR AN ACT

RELATING TO HAWAIIAN HOME LANDS.

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

1 SECTION 1. This Act shall be known and may be cited as the 2 "Hawaiian Home Lands Preservation Act". 3 SECTION 2. The Hawaiian Homes Commission Act, 1920, as 4 amended, is amended by adding a new section to title 2 to be 5 appropriately designated and to read as follows: 6 "§ . Beneficiaries on waitlist; successors. 7 Notwithstanding any provision of this Act to the contrary, a 8 living beneficiary's place on the department of Hawaiian home 9 lands' waitlist for any residential, agricultural, or pastoral 10 tract available pursuant to this Act may be designated for 11 transfer to a successor if the living beneficiary dies before 12 receiving an offer for a tract; provided that the successor 13 shall be at least one thirty-second Hawaiian. The department of 14 Hawaiian home lands shall implement this provision at the sole 15 discretion of the Hawaiian homes commission."

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SECTION 3. Section 207, Hawaiian Homes Commission Act,
 1920, as amended, is amended by amending subsection (a) to read
 as follows:

4 "(a) The department is authorized to lease to native 5 Hawaiians or qualified application successors the right to the use and occupancy of a tract or tracts of Hawaiian home lands 6 7 within the following acreage limits per each lessee: (1) not more than forty acres of agriculture lands or lands used for 8 9 aquaculture purposes; or (2) not more than one hundred acres of 10 irrigated pastoral lands and not more than one thousand acres of other pastoral lands; or (3) not more than one acre of any class 11 12 of land to be used as a residence lot; provided that in the case 13 of any existing lease of a farm lot in the Kalanianaole 14 Settlement on Molokai, a residence lot may exceed one acre but shall not exceed four acres in area, the location of such area 15 16 to be selected by the department; provided further that a lease 17 granted to any lessee may include two detached farm lots or aquaculture lots, as the case may be, located on the same island 18 19 and within a reasonable distance of each other, one of which, to 20 be designated by the department, shall be occupied by the lessee 21 as the lessee's home, the gross acreage of both lots not to

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exceed the maximum acreage of an agricultural, pastoral, or
 aquacultural lot, as the case may be, as provided in this
 section."
 SECTION 4. Section 208, Hawaiian Homes Commission Act,

5 1920, as amended, is amended to read as follows:

6 "§208. Conditions of leases. Each lease made under the 7 authority granted the department by section 207 of this Act, and 8 the tract in respect to which the lease is made, shall be deemed 9 subject to the following conditions, whether or not stipulated 10 in the lease:

11 The original lessee shall be a native Hawaiian  $[\tau]$  or a (1) 12 qualified application successor, not less than 13 eighteen years of age. In case two lessees either original or in succession marry, they shall choose the 14 15 lease to be retained, and the remaining lease shall be 16 transferred, quitclaimed, or canceled in accordance 17 with the provisions of succeeding sections [-]; The lessee shall pay a rental of \$1 a year for the 18 (2) 19 tract and the lease shall be for a term of ninety-nine 20 years; except that the department may extend the term 21 of any lease; provided that the approval of any

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1 extension shall be subject to the condition that the 2 aggregate of the initial ninety-nine year term and any 3 extension granted shall not be for more than one 4 hundred ninety-nine years [-];

5 (3) The lessee may be required to occupy and commence to
6 use or cultivate the tract as the lessee's home or
7 farm or occupy and commence to use the tract for
8 aquaculture purposes, as the case may be, within one
9 year after the commencement of the term of the
10 lease[-];

11 (4) The lessee thereafter, for at least such part of each 12 year as the department shall prescribe by rules, shall 13 occupy and use or cultivate the tract on the lessee's 14 own behalf [-];

15 (5) The lessee shall not in any manner transfer to, or
16 otherwise hold for the benefit of, any other person or
17 group of persons or organizations of any kind, except
18 a native Hawaiian or Hawaiians, and then only upon the
19 approval of the department, or agree so to transfer,
20 or otherwise hold, the lessee's interest in the tract;
21 except that the lessee, with the approval of the



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department, also may transfer the lessee's interest in 1 the tract to the following qualified relatives of the 2 3 lessee who are at least one-quarter Hawaiian: husband, 4 wife, child, or grandchild. A lessee who is at least one-quarter Hawaiian who has received an interest in 5 the tract through succession or transfer may, with the 6 7 approval of the department, transfer the lessee's leasehold interest to a brother or sister who is at 8 least one-quarter Hawaiian. Such interest shall not, 9 10 except in pursuance of such a transfer to or holding for or agreement with a native Hawaiian or Hawaiians 11 12 or gualified relative who is at least one-quarter 13 Hawaiian approved of by the department or for any 14 indebtedness due the department or for taxes or for 15 any other indebtedness the payment of which has been 16 assured by the department, including loans from other 17 agencies where such loans have been approved by the 18 department, be subject to attachment, levy, or sale upon court process. The lessee shall not sublet the 19 20 lessee's interest in the tract or improvements 21 thereon; provided that a lessee may be permitted, with



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the approval of the department, to rent to a native 1 Hawaiian or Hawaiians, lodging either within the 2 3 lessee's existing home or in a separate residential 4 dwelling unit constructed on the premises [-]; 5 (6) Notwithstanding the provisions of paragraph (5), the lessee, with the consent and approval of the 6 7 commission, may mortgage or pledge the lessee's 8 interest in the tract or improvements thereon to a 9 recognized lending institution authorized to do 10 business as a lending institution in either the State 11 or elsewhere in the United States; provided the loan 12 secured by a mortgage on the lessee's leasehold interest is insured or quaranteed by the Federal 13 Housing Administration, Department of Veterans 14 15 Affairs, or any other federal agency and their 16 respective successors and assigns, which are 17 authorized to insure or guarantee such loans, or any 18 acceptable private mortgage insurance as approved by 19 the commission. The mortgagee's interest in any such 20 mortgage shall be freely assignable. Such mortgages,

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1 to be effective, must be consented to and approved by the commission and recorded with the department. 2 3 Further, notwithstanding the authorized purposes of loan limitations imposed under section 214 of this 4 5 Act and the authorized loan amount limitations imposed under section 215 of this Act, loans made by lending 6 institutions as provided in this paragraph, insured or 7 quaranteed by the Federal Housing Administration, 8 9 Department of Veterans Affairs, or any other federal 10 agency and their respective successors and assigns, or 11 any acceptable private mortgage insurance, may be for 12 such purposes and in such amounts, not to exceed the maximum insurable limits, together with such 13 14 assistance payments and other fees, as established under section 421 of the Housing and Urban Rural 15 16 Recovery Act of 1983 which amended Title II of the 17 National Housing Act of 1934 by adding section 247, and its implementing regulations, to permit the 18 19 Secretary of Housing and Urban Development to insure loans secured by a mortgage executed by the homestead 20 21 lessee covering a homestead lease issued under section

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1 207(a) of this Act and upon which there is located a 2 one to four family single family residence [-]; 3 The lessee shall pay all taxes assessed upon the tract (7) 4 and improvements thereon. The department may pay such 5 taxes and have a lien therefor as provided by section 6 216 of this Act[-]; and 7 (8) The lessee shall perform such other conditions, not in 8 conflict with any provision of this Act, as the 9 department may stipulate in the lease; provided that 10 an original lessee shall be exempt from all taxes for 11 the first seven years after commencement of the term 12 of the lease." 13 This Act does not affect rights and duties that SECTION 5. 14 matured, penalties that were incurred, and proceedings that were 15 begun before its effective date. 16 SECTION 6. The provisions of the amendments made by this 17 Act to the Hawaiian Homes Commission Act, 1920, as amended, are 18 declared to be severable, and if any section, sentence, clause, 19 or phrase, or the application thereof to any person or 20 circumstances is held ineffective because there is a requirement 21 of having the consent of the United States to take effect, then

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that portion only shall take effect upon the granting of consent
 by the United States and effectiveness of the remainder of these
 amendments or the application thereof shall not be affected.
 SECTION 7. Statutory material to be repealed is bracketed
 and stricken. New statutory material is underscored.
 SECTION 8. This Act shall take effect on April 14, 2112.



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#### Report Title:

DHHL; Hawaiian Home Lands Preservation Act; Waitlist; Successors

#### Description:

Provides that a living beneficiary's place on the Department of Hawaiian Home Land's waitlist for any residential, agricultural or pastoral tract may be designated for transfer to a successor if the living beneficiary dies before receiving an offer for a tract; provided that the successor shall be at least 1/32 Hawaiian. Takes effect 4/14/2112. (SD2)

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