

STAND. COM. REP. NO. **2833**

Honolulu, Hawaii

**MAR 0 1 2024**

RE: S.B. No. 3236

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 3236 entitled:

"A BILL FOR AN ACT RELATING TO THE LAND TRUST ACT,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify that if no personal property designation appears in the recorded instrument, the interests of the beneficiaries shall be real property.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands.

Your Committee finds that the Department of Hawaiian Home Lands (Department) has been aggressively pursuing the fulfillment of its mission to fully support self-sufficiency for Native Hawaiians by providing the opportunity for homestead leases and homeownership. One initiative that the Department is pursuing in an effort to accelerate the fulfillment of that goal is to create the opportunity for lower-income Native Hawaiians on the wait lists to access Hawaii Housing Finance and Development Corporation funding involving the Low-Income Housing Tax Credits Program (LIHTC). With the use of LIHTCs, there is a fifteen-year compliance period whereby participants must satisfy certain requirements and are considered "renters" until the end of the compliance period, where they are then given the option to purchase and own the units. However, participants are not issued



a homestead lease until the fifteen-year compliance period is finished, at which point the renter takes out a loan to pay off the remaining debt and is then issued a Hawaiian Homestead ninety-nine-year lease. Unfortunately, if the "renter" dies before the fifteen-year conversion point, and their successor is less than fifty percent Hawaiian, the unit cannot be transferred to their heir and the heir receives nothing. This measure will address this problem by placing certain Hawaiian Home Lands in a land trust and clarify that the beneficial interest under the trust will be deemed real property rather than personal property.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3236 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary,



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KARL RHOADS, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Judiciary**  
**JDC**

Bill / Resolution No.:* <i>SB 3236</i>	Committee Referral: <i>JDC</i>	Date: <i>02/27/24</i>
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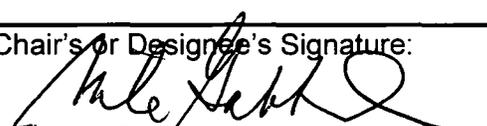
The Committee is reconsidering its previous decision on this measure.  
 If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312     
 Pass, with amendments 2311     
 Hold 2310     
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
RHOADS, Karl (C)	✓			
GABBARD, Mike (VC)	✓			
ELEFANTE, Brandon J.C.	✓			
SAN BUENAVENTURA, Joy A.	✓			
AWA, Brenton	✓			
<b>TOTAL</b>	<i>5</i>	—	—	—

Recommendation:     
 Adopted     
 Not Adopted

Chair's or Designee's Signature:  


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**\*Only one measure per Record of Votes**