

JAN 23 2026

A BILL FOR AN ACT

RELATING TO HAWAIIAN HOME LANDS.

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

1 SECTION 1. The legislature finds that thousands of
2 qualified native Hawaiian beneficiaries remain on the department
3 of Hawaiian home lands waitlist for residential, agricultural,
4 and pastoral leases, in some cases for decades, due in part to
5 the limited availability of developable land and the high cost
6 and complexity of land acquisition.

7 The legislature further finds that county real property tax
8 sales regularly result in the disposition of parcels that are
9 suitable for housing, infrastructure, or community uses,
10 including parcels located within or adjacent to existing
11 communities where access to roads, utilities, and public
12 services already exists. When these properties are acquired by
13 private bidders or remain idle following auction, opportunities
14 to expand housing availability for native Hawaiian beneficiaries
15 are lost.

16 The legislature recognizes that enabling the department of
17 Hawaiian home lands to strategically acquire tax-delinquent



1 properties through a right of first refusal can be
2 transformational in accelerating housing production, reducing
3 the number of beneficiaries on the waitlist, and leveraging
4 existing infrastructure to deliver homes more efficiently and
5 cost-effectively.

6 Accordingly, the purpose of this Act is to:

7 (1) Establish a limited right of first refusal for the
8 department of Hawaiian home lands with respect to
9 county real property tax sales;

10 (2) Require advance notice of qualifying properties from
11 the counties to the department of Hawaiian home lands;
12 and

13 (3) Amend the Hawaiian Homes Commission Act, 1920, as
14 amended, to authorize the conveyance of certain tax-
15 delinquent properties in a manner that advances the
16 State's trust responsibilities for native Hawaiians.

17 SECTION 2. The Hawaiian Homes Commission Act, 1920, as
18 amended, is amended by adding a new section to be appropriately
19 designated and to read as follows:

20 "§ Acquisition of property; delinquent taxes. (a)

21 The department of Hawaiian home lands may acquire real property



1 conveyed pursuant to section 46- , Hawaii Revised Statutes, and
2 hold, manage, or designate the property as Hawaiian home lands.

3 (b) The department of Hawaiian home lands may adopt rules
4 pursuant to chapter 91, Hawaii Revised Statutes, necessary to
5 implement this section."

6 SECTION 3. Chapter 46, Hawaii Revised Statutes, is amended
7 by adding a new section to be appropriately designated and to
8 read as follows:

9 "§46- Right of first refusal; department of Hawaiian
10 home lands. (a) Notwithstanding any law to the contrary,
11 before a public auction of any real property for delinquent real
12 property taxes, each county shall provide written notice to the
13 department of Hawaiian home lands of any parcel that may be
14 suitable for use consistent with the Hawaiian Homes Commission
15 Act, 1920, as amended.

16 (b) The written notice required under subsection (a) shall
17 be provided no later than sixty days before the scheduled
18 auction date and shall include, at a minimum:

19 (1) The tax map key number;

20 (2) Property location and acreage;



1 (3) Minimum upset price or amount of delinquent taxes

2 owed; and

3 (4) Any known encumbrances or environmental conditions of

4 record.

5 (c) The department of Hawaiian home lands shall have the
6 right of first refusal to acquire the property by:

7 (1) Matching the highest bid received at public auction;

8 or

9 (2) Acquiring the property directly from the county if no

10 bids are received at auction.

11 (d) The department of Hawaiian home lands shall exercise
12 its right of first refusal no later than thirty days following
13 the public auction, or within the time as may be agreed upon by
14 the county and the department.

15 (e) Any conveyance of property pursuant to this section
16 shall be subject to:

17 (1) Approval by the Hawaiian homes commission;

18 (2) Compliance with all applicable environmental review

19 laws; and



1 (3) A determination by the department of Hawaiian home
2 lands that the acquisition serves the interests of
3 native Hawaiian beneficiaries.

4 (f) Nothing in this section shall be construed to:

5 (1) Require the department of Hawaiian home lands to
6 acquire real property;

7 (2) Impair the authority of a county to conduct real
8 property tax sales; or

9 (3) Limit the ability of a county and the department of
10 Hawaiian home lands to enter into memoranda of
11 agreement or other intergovernmental arrangements for
12 the transfer of property."

13 SECTION 4. The provisions of the amendments made by this
14 Act to the Hawaiian Homes Commission Act, 1920, as amended, are
15 declared to be severable, and if any section, sentence, clause,
16 or phrase, or the application thereof to any person or
17 circumstances is held ineffective because there is a requirement
18 of having the consent of the United States to take effect, then
19 that portion only shall take effect upon the granting of consent
20 by the United States and effectiveness of the remainder of these
21 amendments or the application thereof shall not be affected.



1 SECTION 5. New statutory material is underscored.

2 SECTION 6. This Act shall take effect upon its approval;
3 provided that section 2 shall take effect on either the date of
4 the Secretary of the interior's notification letter to the
5 Congressional Committee Chairmen that the Act meets none of the
6 criteria in 43 Code of Federal Regulations section 48.20, or on
7 the date that the United States Congress approval becomes law.

8

INTRODUCED BY:

A handwritten signature in black ink, appearing to read "D. Kin", is written over a horizontal line.

S.B. NO. 2702

Report Title:

HHCA; DHHL; Counties; Right of Refusal; Real Property;
Delinquent Taxes

Description:

Establishes a limited right of first refusal for the Department of Hawaiian Home Lands with respect to county real property tax sales. Requires advance notice from the counties to the Department of Hawaiian Home Lands of qualifying properties. Amends the Hawaiian Homes Commission Act, 1920, as amended, to authorize the conveyance of certain tax-delinquent properties.

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

