
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; and

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

12 SECTION 2. Chapter 46, Hawaii Revised Statutes, is amended
13 by adding a new section to be appropriately designated and to
14 read as follows:

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



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

- 4 (1) The tax map key number;
- 5 (2) Property location and acreage;
- 6 (3) Minimum upset price or amount of delinquent taxes
7 owed; and
- 8 (4) Any known encumbrances or environmental conditions of
9 record.

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

- 12 (1) Matching the highest bid received at public auction;
13 or
- 14 (2) Acquiring the property directly from the county if no
15 bids are received at auction.

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

20 (e) Any conveyance of property pursuant to this section
21 shall be subject to:



- 1 (1) Approval by the Hawaiian homes commission;
- 2 (2) Compliance with all applicable environmental review
- 3 laws; and
- 4 (3) A determination by the department of Hawaiian home
- 5 lands that the acquisition serves the interests of
- 6 native Hawaiian beneficiaries.
- 7 (f) Nothing in this section shall be construed to:
- 8 (1) Require the department of Hawaiian home lands to
- 9 acquire real property;
- 10 (2) Impair the authority of a county to conduct real
- 11 property tax sales; or
- 12 (3) Limit the ability of a county and the department of
- 13 Hawaiian home lands to enter into memoranda of
- 14 agreement or other intergovernmental arrangements for
- 15 the transfer of property."

16 SECTION 3. New statutory material is underscored.

17 SECTION 4. This Act shall take effect upon its approval.



S.B. NO. 2702
S.D. 1

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.
(SD1)

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