

ACT 18

An Act Amending Section 215(1) of the Hawaiian Homes Commission Act, 1920, as Amended, Relating to the Ceiling on Residential Loans.

WHEREAS, section 11 of article III of the Constitution of the State of Hawaii provides for the consideration and enactment in a budget session of all urgency measures deemed necessary in the public interest; and

WHEREAS, said section further provides that no urgency measure shall be considered unless a statement of facts constituting such urgency shall be set forth in a section thereof and until such section shall have been first approved by each house; and

WHEREAS, it is the intention of the legislature to enact this as an urgency measure pursuant to said section 11 of article III; and

WHEREAS, the second amendment to the Constitution of the State of Hawaii provides that as a compact with the United States relating to the management and disposition of the Hawaiian home lands, the Hawaiian Homes Commission Act, 1920, as amended, is "subject to amendment or repeal only with the consent of the United States, and in no other manner:

Provided, . . . (2) that any amendment to increase the benefits to lessees of Hawaiian home lands may be made in the constitution, or in the manner required for State legislation"; now, therefore,

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

The Hawaiian Homes Commission Act of 1920, as amended, establishes a Hawaiian home-loan fund from which loans may be made to lessees of Hawaiian home lands for the construction of dwellings upon or the otherwise development of said lands. Presently, the maximum amount of the loan obtainable for the erection of dwellings is \$6,000. This ceiling was established on July 9, 1952. Since July 1952 the cost of house construction has greatly increased so that presently \$6,000 is a very unrealistic allowance and is inadequate to construct a house. Contractors on the islands of Molokai and Kauai, in order to keep costs of the dwellings down, have in some cases been constructing dwellings without garages, cesspools, or wall partitions between bedrooms. Such contractors now refuse to construct any more houses unless they receive higher prices for their work. Thus, the homesteaders are obtaining inadequate homes or in some cases, no homes at all. In 1962, the Hawaiian Homes Commission will open up houselots in Waimanalo, Oahu, and in Paukukalo, Maui. This has created a need, which this legislature deems urgent, to amend the Hawaiian Homes Commission Act of 1920, as amended, so as to raise the minimum ceiling on residential loans above \$6,000.

SECTION 2. Paragraph (1) of section 215 of the Hawaiian Homes Commission Act, 1920, as amended, is hereby further amended by deleting the figure "\$6,000" found therein and by substituting therefor the figure "\$10,000."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 16, 1962.) S.B. 111.