

ACT 174

H.B. NO. 2845

A Bill for an Act Relating to Lands Controlled by the State.

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

SECTION 1. Act 176, Session Laws of Hawaii 2009, which took effect on July 13, 2009, establishes legislative oversight of sales or exchanges of land held by the State. Act 176 requires state agencies to:

- (1) Hold an informational meeting in the community in which the land at issue is located;
- (2) Submit a concurrent resolution to the legislature including specified information about the proposed land sale or exchange; and

- (3) Obtain legislative approval by at least a two-thirds majority vote in each house.

The Act exempts transfers of remnant parcels, the issuance of licenses, permits, easements, and leases, and the sale or exchange of lands between state departments or agencies from its requirements.

Act 176, however, does not exempt the resale of individual dwelling units previously encumbered by buyback or shared appreciation restrictions held by the Hawaii housing finance and development corporation. These resale restrictions are intended to prevent speculation and allow the corporation to finance the development of additional affordable housing units by capturing a portion of the appreciation in the value of the dwelling unit following a sale, foreclosure, or transfer by the original eligible homeowner. Consequently, upon the corporation's repurchase of individual dwelling units, the corporation is not able to resell these homes to eligible residents without complying with the requirements of Act 176 and obtaining legislative approval. The corporation has incurred significant delays and costs for maintaining the properties and complying with public meeting requirements, which reduce the amount of funding available for new affordable housing developments.

The purpose of this Act is to exempt the fee simple resale of individual dwelling units or lots on lands not classified as government or crown lands previous to August 15, 1895, or exchanged subsequent to August 15, 1895, for such lands, acquired by the Hawaii housing finance and development corporation under section 201H-47, Hawaii Revised Statutes, from the requirements of section 171-64.7, Hawaii Revised Statutes.

SECTION 2. Section 171-64.7, Hawaii Revised Statutes, is amended by amending subsection (f) to read as follows:

“(f) This section shall not apply to sales or gifts of lands described in subsection (a) between state departments or agencies, ~~and~~ to sales of available lands under the Hawaiian Homes Commission Act~~[-]~~, or to the fee simple sale of affordable homes on lands not classified as government or crown lands previous to August 15, 1895, or exchanged subsequent to August 15, 1895, for lands classified as government or crown lands previous to August 15, 1895, that are subject to resale restrictions as set forth in section 201H-47 and that were acquired by the Hawaii housing finance and development corporation either at a foreclosure sale or under a buyback as authorized in section 201H-47.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved June 24, 2010.)