



GOV. MSG. NO. 634

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

June 24, 2010

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fifth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on June 24, 2010, the following bill was signed into law:

HB2845 HD1 SD1 CD1

A BILL FOR AN ACT
RELATING TO LANDS CONTROLLED BY THE STATE.
ACT 174 (10)

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE

Approved by the Governor

on JUN 24 2010

HOUSE OF REPRESENTATIVES
TWENTY-FIFTH LEGISLATURE, 2010
STATE OF HAWAII

ACT 174
H.B. NO. 2845
H.D. 1
S.D. 1
C.D. 1

A BILL FOR AN ACT

RELATING TO LANDS CONTROLLED BY THE STATE.

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

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

5 (1) Hold an informational meeting in the community in
6 which the land at issue is located;

7 (2) Submit a concurrent resolution to the legislature
8 including specified information about the proposed
9 land sale or exchange; and

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

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

16 Act 176, however, does not exempt the resale of individual
17 dwelling units previously encumbered by buyback or shared
18 appreciation restrictions held by the Hawaii housing finance and

HB2845 CD1 HMS 2010-3362



1 development corporation. These resale restrictions are intended
2 to prevent speculation and allow the corporation to finance the
3 development of additional affordable housing units by capturing
4 a portion of the appreciation in the value of the dwelling unit
5 following a sale, foreclosure, or transfer by the original
6 eligible homeowner. Consequently, upon the corporation's
7 repurchase of individual dwelling units, the corporation is not
8 able to resell these homes to eligible residents without
9 complying with the requirements of Act 176 and obtaining
10 legislative approval. The corporation has incurred significant
11 delays and costs for maintaining the properties and complying
12 with public meeting requirements, which reduce the amount of
13 funding available for new affordable housing developments.

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

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



1 "(f) This section shall not apply to sales or gifts of
2 lands described in subsection (a) between state departments or
3 agencies, [~~and~~] to sales of available lands under the Hawaiian
4 Homes Commission Act [-], or to the fee simple sale of affordable
5 homes on lands not classified as government or crown lands
6 previous to August 15, 1895, or exchanged subsequent to August
7 15, 1895, for lands classified as government or crown lands
8 previous to August 15, 1895, that are subject to resale
9 restrictions as set forth in section 201H-47 and that were
10 acquired by the Hawaii housing finance and development
11 corporation either at a foreclosure sale or under a buyback as
12 authorized in section 201H-47."

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

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

APPROVED this 24 day of JUN , 2010



GOVERNOR OF THE STATE OF HAWAII

