

STAND. COM. REP. NO. 3108

Honolulu, Hawaii

MAR 23 2018

RE: H.B. No. 2464
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Hawaiian Affairs, to which was referred
H.B. No. 2464, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION
ACT,"

begs leave to report as follows:

The purpose and intent of this measure is to make lessees who
sell or transfer their interest in a Hawaiian home lands lease for
any class of land ineligible to receive any subsequent lease for
the same class of land, subject to limited exceptions.

Your Committee received testimony in support of this measure
from the Ho'omanapono Political Action Committee, Ka Lāhui Hawaii
Political Action Committee, one member of the Maui County Council,
and three individuals. Your Committee received testimony in
opposition to this measure from the Sovereign Councils of the
Hawaiian Homeland Assembly, O'ahu County Committee on Legislative
Priorities of the Democratic Party of Hawai'i, and eight
individuals. Your Committee received comments on this measure
from the Department of Hawaiian Home Lands and Office of Hawaiian
Affairs.

Your Committee finds that churning is the practice of
obtaining a Hawaiian home lands lease then selling or transferring
it to others for a fee or other personal gain, then reapplying to



receive a subsequent lease. Your Committee further finds that there are roughly 27,000 applicants that are currently in the system, and the number of applications continue to grow. Your Committee believe that all native Hawaiians who are waiting to receive a Hawaiian home lands lease should be equally awarded a lease.

Your Committee received testimony stating that the Department of Hawaiian Home Lands is in the process of addressing the long waitlist for homestead leases by adopting a rule that would prohibit the sale of undivided interests and leases to lots that are vacant or undeveloped. The Department is also in the process of considering a right of first refusal to homestead applicants on the waitlist. Your Committee recognizes the authority of the Department of Hawaiian Home Lands in establishing administrative rules to address certain issues and believes that the Department is appropriately equipped to address the issue of churning.

Your Committee finds that according to testimony received, this measure may be premature and will require more consultation between the Department of Hawaiian Home Lands and beneficiaries in order to better address the growing waitlist.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language in section 1 which makes reference to eligible native Hawaiians never receiving a lease offer;
- (2) Deleting language that would have amended the Hawaiian Homes Commission Act to make lessees who sell or transfer their interest in a lease for any class of land ineligible to receive a subsequent lease;
- (3) Inserting language to require the Department of Hawaiian Home Lands to submit a report to the Legislature of its findings and recommendations, including any proposed legislation, on the issue of Hawaiian home lands lessees selling or transferring their lease and then applying for a subsequent lease; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2464, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2464, H.D. 2, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Hawaiian Affairs,



MAILE S.L. SHIMABUKURO, Chair



