

STAND. COM. REP. NO.

**2586**

Honolulu, Hawaii

**FEB 13 2020**

RE: S.B. No. 2389

S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Hawaiian Affairs, to which was referred  
S.B. No. 2389 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 prohibit lessees who sell or transfer land from obtaining subsequent leases of the same class of land unless the subsequent lease is acquired pursuant to section 209 of the Hawaiian Homes Commission Act, 1920, as amended, or the prior lease interest held by the lessee was a partial interest held with another lessee or lessees.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Hawaiian Home Lands.

Your Committee finds that certain native Hawaiians who are eligible for a lease pursuant to the Hawaiian Homes Commission Act, 1920, as amended, have acquired a lease, sold or transferred their interest in the lease, and then placed their name on the waitlist for a second lease of Hawaiian home lands. This has contributed to many otherwise eligible native Hawaiians never receiving a lease offer. This measure will prohibit lessees who



sell or transfer land from obtaining certain subsequent leases before those who have never received a lease offer, which will allow more Department of Hawaiian Home Lands beneficiaries who have never received a lease offer to receive one.

Your Committee heard testimony from the Department of Hawaiian Home Lands that legislative action is not needed because of the existing administrative rules that place a preference on applicants who have not been awarded a lease, close the loophole on profit from sale of vacant or undeveloped lots and undivided interest, and prioritize transfers to qualified beneficiaries on the waitlist over beneficiaries not on a waitlist.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and inserting language to require the Department of Hawaiian Home Lands to adopt within two years from the effective date administrative rules requiring that a lessee who sells their lease for profit contributes to the Department of Hawaiian Home Lands' profit-sharing plan; provided that the profits be used for the benefit of the Department of Hawaiian Home Lands; provided further that the profit-sharing contribution requirement shall not apply to any person who sells their lease because of any extenuating circumstance; and
- (2) 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 S.B. No. 2389, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2389, S.D. 1, and be referred to your Committee on Judiciary.



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



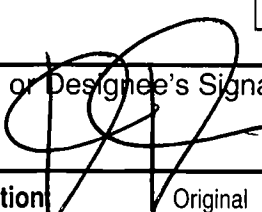
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MAILE S.L. SHIMABUKURO, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Hawaiian Affairs**  
**HWN**

Bill / Resolution No.:* <b>SB 2389</b>	Committee Referral: <b>HWN, JDC</b>	Date: <b>2/4/20</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
SHIMABUKURO, Maile S.L. (C)	✓			
KAHELE, Kaiali'i (VC)	✓			
IHARA, Jr., Les	✓			
KEOHOKALOLE, Jarrett	✓			
FEVELLA, Kurt				✓
<b>TOTAL</b>	<b>4</b>			<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution</b>	Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy

\*Only one measure per Record of Votes