

JAN 27 2021

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# 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. 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]~~:

(1) Sales or gifts of lands described in subsection (a) between state departments or agencies~~[, to sales]~~;

(2) Sales of available lands under the Hawaiian Homes Commission Act~~[, or to the fee]~~;

(3) Fee simple ~~[sale]~~ sales 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~~[,]~~; or

S.B. NO. 1057

(4) Individual sales of the leased fee interest in a  
leasehold condominium unit or single family house lot  
to its lessee by the Hawaii housing finance and  
development corporation; provided that:

(A) One of the corporation's predecessor agencies  
approved the sale of the leased fee interest to  
lessees of the condominium or development in  
which the unit or house lot is located no later  
than November 4, 1994;

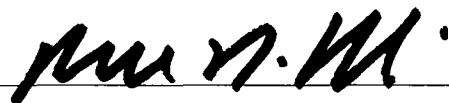
(B) The leased fee interest in more than fifty per  
cent of all units in the condominium or  
development in which the unit or house lot is  
located was sold or otherwise transferred prior  
to July 13, 2009; and

(C) The sale is to the lessee of record of the unit  
or house lot."

SECTION 2. Statutory material to be repealed is bracketed  
and stricken. New statutory material is underscored.

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

INTRODUCED BY:



BY REQUEST

# S.B. NO. 1057

**Report Title:**

Lands Controlled by the State; Exemption from Legislative Approval of Sale or Gift of Lands

**Description:**

Exempts from legislative approval the sale of the leased fee interest in certain affordable leasehold developments by the Hawaii Housing Finance and Development Corporation.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

# SB. NO. 1057

## JUSTIFICATION SHEET

DEPARTMENT: Business, Economic Development, and Tourism

TITLE: A BILL FOR AN ACT RELATING TO LANDS  
CONTROLLED BY THE STATE.

PURPOSE: To exempt from legislative approval, the sale of the leased fee interest in certain Hawaii Housing Finance and Development Corporation affordable leasehold developments.

MEANS: Amend section 171-64.7, Hawaii Revised Statutes.

JUSTIFICATION: The process of obtaining legislative approval of the sale of the leased fee interest in state-owned land is a costly and burdensome process that takes individual homeowners over a full calendar to complete before the sale can be closed, assuming that the legislature approves the proposed sale.

The intent of Act 176, Session Laws of Hawaii 2009, as codified in §171-64.7, Hawaii Revised Statutes, was to "establish a more comprehensive process for the sale of state-owned land, and to reserve a larger role for the legislature to assure that key information about certain sales or exchanges of land is shared with the legislature." This intent has little application to individual condominium units and house lots in developments constructed several decades ago, and in which the majority of their neighbors had already acquired the leased fee interest in their homes. Therefore, it makes sense to exempt homes in these developments.

Impact on the public: Will save the administrative costs of shepherding these homes through the legislative approvals process.

Impact on the department and other agencies: Will reduce administrative burden of continually processing individual condominium units and house lots in the same developments as homeowners become able to purchase the leased fee interest to their homes.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: BED 160.

OTHER AFFECTED  
AGENCIES: Office of Hawaiian Affairs.

EFFECTIVE DATE: Upon approval.