

STAND. COM. REP. NO. **589**

Honolulu, Hawaii

FEB 22 2021

RE: S.B. No. 891
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committees on Ways and Means and Judiciary, to which was referred S.B. No. 891, S.D. 1, entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to amend laws relating to Hawaiian home lands.

Specifically, the measure:

- (1) Inserts certain definitions relating to beneficiary consultation into the Hawaiian Homes Commission Act, 1920;
- (2) Requires five of the nine members of the Hawaiian Homes Commission to be:
 - (A) At least one-fourth Hawaiian; and
 - (B) Beneficiaries of the trust who are on the waitlist for Hawaiian home lands at the time of their appointment;
- (3) Requires the Department of Hawaiian Home Lands to distribute quarterly reports to Hawaiian home lands



beneficiaries, registered homestead associations, and the Legislature regarding land dispositions, lease cancellations, and trust fund receipts and expenditures;

- (4) Authorizes the Governor to establish an inter-agency council to address the purposes of the Hawaiian Homes Commission Act, 1920;
- (5) Requires the Department of Hawaiian Home Lands to include an accounting of expenditures made pursuant to Act 14, Special Session Laws of Hawaii 1995, in its annual report on the Hawaiian home lands trust fund;
- (6) Requires the Department of Hawaiian Home Lands to develop and implement a loan servicing manual;
- (7) Authorizes the Department of Hawaiian Home Lands to retain independent legal counsel;
- (8) Excludes attorneys employed by the Department of Hawaiian Home Lands from the general provision that full-time departmental attorneys shall be deputy attorneys general; and
- (9) Requires the Legislative Reference Bureau to conduct a study on the implications of creating a position for the Director of Hawaiian Home Lands that is separate from the Chairperson of the Hawaiian Homes Commission.

Your Committees received written comments in support of this measure from a member of the Kauai County Council.

Your Committees received written comments in opposition to this measure from the Department of the Attorney General.

Your Committees received written comments on this measure from the Department of Hawaiian Home Lands and the Legislative Reference Bureau.

Your Committees find that the Hawaiian Homes Commission Act, 1920, enables native Hawaiian beneficiaries to access state lands to improve and perpetuate self-sufficiency and cultural preservation. Your Committees believe that the Department of



Hawaiian Home Lands and Hawaiian Homes Commission should be governed in ways that ensure their accountability and fulfill their duties toward the preservation of beneficiaries' values, traditions, culture, and self-sufficiency.

Your Committees recognize that the Department of Hawaiian Home Lands currently prepares monthly reports for the Hawaiian Homes Commission and completes an annual independent and financial agency audit. Your Committees believe, however, that a quarterly report on land dispositions, lease cancellations, and trust fund receipts will increase transparency for the department's beneficiaries.

Your Committees also find that the Department of Hawaiian Home Lands has an extensive lease cancellation process. Your Committees believe that requiring the Department of Hawaiian Home Lands to develop and implement a loan servicing manual would enhance its efforts to assist distressed beneficiaries who are facing lease cancellation.

Your Committees have amended this measure by:

- (1) Deleting certain definitions relating to beneficiary consultations and inserting substantive provisions that establish standards and requirements for beneficiary consultations;
- (2) Providing that the five members who are required to have Hawaiian ancestry to serve as members of the Hawaiian Homes Commission shall either be:
 - (A) At least one-fourth Hawaiian; or
 - (B) Beneficiaries of the trust who are on the waitlist for Hawaiian home lands at the time of their appointment;
- (3) Authorizing the Hawaiian Homes Commission to recommend to the Governor the establishment, membership, and other specifics regarding an inter-agency council, and authorizing the Governor to establish the council based on the Commission's recommendation;



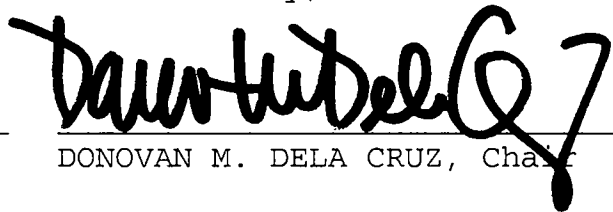
- (4) Requiring the Legislative Reference Bureau, in conducting its study, to assume, among other matters, that:
 - (A) The Governor shall appoint the Director of Hawaiian Home Lands; and
 - (B) The Director of Hawaiian Home Lands would not be eligible to be considered as the Chairperson of the Hawaiian Homes Commission;
- (5) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (6) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Ways and Means and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 891, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 891, S.D. 2.

Respectfully submitted on behalf of the members of the Committees on Ways and Means and Judiciary,



KARL RHOADS, Chair



DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 891, SD 1	HWN, WAM/JDC	2-16-21		
<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
DELA CRUZ, Donovan M. (C)	✓			
KEITH-AGARAN, Gilbert S.C. (VC)	✓			
ENGLISH, J. Kalani				✓
INOUYE, Lorraine R.	✓			
KANUHA, Dru Mamo	✓			
KIDANI, Michelle N.	✓			
MORIWAKI, Sharon Y.	✓			
SHIMABUKURO, Maile S.L.	✓			
TANIGUCHI, Brian T.				✓
WAKAI, Glenn	✓			
FEVELLA, Kurt	✓			
TOTAL	9			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

