

Honolulu, Hawaii

FEB 10 2021

RE: S.B. No. 892
S.D. 1

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

Sir:

Your Committee on Hawaiian Affairs, to which was referred
S.B. No. 892 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:

- (1) Define "beneficiary consultation";
- (2) Prohibit the Department of Hawaiian Home Lands from disposing or extending a general lease to non-beneficiaries, unless there are no applicants seeking to enter into a general lease to the use and occupancy of a tract of Hawaiian home lands;
- (3) Require the Department of Hawaiian Home Lands to notify beneficiaries through beneficiary consultation prior to the disposition of Hawaiian home lands;
- (4) Prohibit the Department of Hawaiian Home Lands from establishing additional criteria to enter into a general lease with an applicant without notifying beneficiaries;



- (5) Specify that the Department of Hawaiian Home Lands may grant a license or enter into a general lease with an applicant, under certain conditions;
- (6) Allocate the interest or earnings from the Hawaiian home loan fund and Hawaiian home general loan fund into their respective funds, under certain conditions;
- (7) Require the Department of Hawaiian Home Lands to submit a quarterly report to the Legislature and beneficiaries; and
- (8) Authorize the Department of Hawaiian Home Lands to negotiate with homestead association governed water agencies to maintain water systems prior to other service providers, under certain conditions.

Your Committee received comments on this measure from the Department of the Hawaiian Home Lands.

Your Committee notes that title 43 Code of Federal Regulations part 48, as amended, outlines the process for amendments to the Hawaiian Homes Commission Act and whether or not Congressional approval is necessary. Your Committee strongly believes that this measure does not require Congressional approval.

Your Committee finds that in the Hawaiian Homes Commission Act, 1920, as amended, the United States Congress established the Hawaiian home lands trust, intending that it would enable its native Hawaiian beneficiaries to return to their land to improve and perpetuate their self-sufficiency and cultural preservation. This measure will make changes to improve the governance and accountability entrusted to the Department of Hawaiian Home Lands and Hawaiian Homes Commission to fulfill their duty toward the preservation of values, traditions, culture, and self-sufficiency for native Hawaiians. Additionally, your Committee finds that the Department of Hawaiian Home Lands does not receive sufficient funding to develop house lots for all applicants on the waiting list. The Department of Hawaiian Home Lands does not currently receive sufficient funding to reduce the waiting list by ninety percent over the next decade, leading to a lack of access resources for beneficiaries.



Your Committee finds that these reforms have the potential to provide access to private capital for beneficiaries of the Department of Hawaiian Home Lands, revolve interest earnings to deploy capital to farms, ranches, and businesses on homesteads, and make significant strides to alleviate the waitlist.

Your Committee notes the concerns of the Department of Hawaiian Home Lands, including:

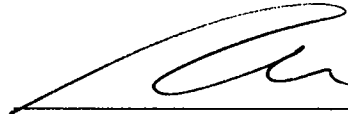
- (1) The unnecessary need for an additional definition of "beneficiary consultation";
- (2) Concerns surrounding the proposal and elevation of the interest of lessees and homestead associations over the interests of applicants on the waitlist and Hawaiian Homes Commission Act Beneficiary Associations;
- (3) Conflicting provisions surrounding establishing additional criteria to enter into leases with applicants;
- (4) The unnecessary need for the allocation of the interest or other earnings from the Hawaiian home loan fund and Hawaiian home general funds into their respective funds; and
- (5) The unnecessary need for the Department of Hawaiian Home Lands to negotiate with homestead association governed water agencies to maintain water systems prior to other service providers since the department already has an agreement in place with regard to water maintenance.

Your Committee has amended this measure by 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. 892, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 892, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary.



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



MAILE S.L. SHIMABUKURO, Chair



