

STAND. COM. REP. NO. 1249-24

Honolulu, Hawaii

MAR 21, 2024

RE: S.B. No. 3236  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred S.B. No. 3236 entitled:

"A BILL FOR AN ACT RELATING TO THE LAND TRUST ACT,"

begs leave to report as follows:

The purpose of this measure is to clarify that if no personal property designation appears in a recorded instrument, the interests of the beneficiaries shall be real property.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands.

Your Committee finds that lower-income native Hawaiians who purchase a unit in a Department of Hawaiian Home Lands project using Low-Income Housing Tax credits must complete a fifteen-year compliance period where the participant satisfies certain income restrictions, verification requirements, inspections, and tenancy occupancy restrictions. During this period, the participant is considered a "renter" and the participant does not receive a homestead lease until after the compliance period has ended. Your Committee further finds that if the participant dies before the fifteen-year compliance period is over and their heir is less than fifty percent Hawaiian, the unit cannot be transferred to the participant's heir and the heir receives nothing. This measure is intended to enable native Hawaiians using Low-Income Housing Tax

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Credits to purchase a unit to name a successor to their interest in the unit before the end of the fifteen-year compliance period by designating beneficial interests in land placed in a Hawaiian Home Lands land trust as real property rather than of personal property.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3236, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3236, H.D. 1, and be referred to your Committee on Finance.

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



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DAVID A. TARNAS, Chair



