

Honolulu, Hawaii

MAR 01 2024

RE: S.B. No. 2617
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committees on Ways and Means and Judiciary, to which was referred S.B. No. 2617, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO REAL PROPERTY,"

beg leave to report as follows:

The purpose and intent of this measure is to explore the possible creation of regulations relating to the sale of real property to favor owner-occupied resident ownership.

Specifically, the measure:

- (1) Requires the Legislative Reference Bureau to conduct a study on the "states in the country that have enacted laws limiting the sale of property to foreign individuals or entities, and how those laws and related constitutional precedents could inform demand-side regulations for the real estate market in Hawaii in favor of resident ownership, specifically owner-occupied resident ownership";
- (2) Requires that the study, to the extent feasible, include:
 - (A) Descriptive information detailing the laws limiting the sale of property to foreign individuals or



entities and the related constitutional precedents of each jurisdiction;

- (B) Identified strengths and weaknesses of each particular legislative approach; and
 - (C) Recommendations on whether the laws enacted by other jurisdictions could be adapted for Hawaii, to favor owner-occupied resident ownership of real property in Hawaii or interests therein;
- (3) Requires the Legislative Reference Bureau to submit a report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2025; and
 - (4) Appropriates an unspecified sum of moneys to the Bureau to conduct the study.

Your Committees received written comments in support of this measure from three individuals.

Your Committees recognize that homeownership strengthens communities and is a critical component of the State's economy. Your Committees also recognize the problem of the shortage of affordable homes in the State, which is exacerbated by the purchasing power of affluent nonresidents, including noncitizens. Your Committees find it appropriate to study potential constitutional and other legal barriers to restrictions on real property sales to foreign individuals or entities.

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. 2617, S.D. 1, and recommend that it pass Third Reading.



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

Karl Rhoads

KARL RHOADS, Chair

Donovan M. DeLa Cruz

DONOVAN M. DELA CRUZ, Chair



