

ACT 125

S.B. NO. 3109

A Bill for an Act Relating to the Department of Hawaiian Home Lands.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that Act 279, Session Laws of Hawaii 2022 (Act 279), appropriated out of the general revenues of the State of Hawaii the sum of \$600,000,000 or so much thereof as may be necessary for fiscal year 2021-2022 to provide a multi-pronged approach to reducing the over twenty-eight thousand applicants on the department of Hawaiian home lands waitlist.

The legislature further finds that Act 279 stipulated that any moneys not encumbered for specific purposes shall lapse to the general fund on June 30, 2025. Article VII, section 11, of the Hawaii State Constitution provides in part that no general fund appropriation shall be for a period exceeding three years. This provision therefore permits the encumbrance of biennial appropriations one year beyond the biennial period, or no later than June 30, 2024, for the fiscal biennium 2021-2023. Accordingly, unencumbered funds appropriated by Act 279 will lapse on June 30, 2024.

The purpose of this Act is to:

- (1) Give practical effect to the legislature's intent for the appropriation in Act 279 by depositing certain unexpended or unencumbered funds appropriated through Act 279 that are set to lapse on June 30, 2024, into an Act 279 special fund and appropriating funds out of the Act 279 special fund; and
- (2) Provide that monies from the appropriation out of the Act 279 special fund that are unencumbered as June 30, 2026, shall lapse as of that date.

SECTION 2. (a) There is established in the state treasury the Act 279 special fund to be administered by the department of Hawaiian home lands and into which shall be deposited:

- (1) Appropriations made by the legislature to the special fund;
- (2) Grants provided by governmental agencies or any other source;
- (3) Donations and contributions made by private individuals or organizations for deposit into the special fund;
- (4) Interest accrued on all amounts in the special fund; and
- (5) Any other moneys made available to the special fund from other sources.

(b) Moneys in the special fund shall be used by the department of Hawaiian home lands to fulfill its fiduciary duties to beneficiaries of this Act and Act 279, Session Laws of Hawaii 2022, including:

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- (1) Developing lots or units;
- (2) Purchasing available land or units;
- (3) Providing funding for an applicant on the waiting list or a qualified relative of the applicant similar to the qualified relative of a lessee as referenced in section 208(5) of the Hawaiian Home Commission Act of 1920, as amended, who does not own a principal residence to purchase;
- (4) Providing a mortgage or rental subsidy to the applicant on the waiting list for the applicant's principal residence in the State;
- (5) Exploring and developing opportunities to generate additional revenue from lands the department controls to fulfill the fiduciary duties required by this section; and
- (6) Other services as necessary to address the waiting list.

SECTION 3. Act 279, Session Laws of Hawaii 2022, is amended by amending section 6 to read as follows:

“SECTION 6. There is appropriated out of the general revenues of the State of Hawaii the sum of \$600,000,000 or so much there of as may be necessary for fiscal year 2021-2022 for the purposes of this Act; provided that any moneys not expended or encumbered for specific purposes shall lapse to the [general fund] Act 279 special fund established pursuant to Act _____, Session Laws of Hawaii 2024, on June 30, [2025:] 2024.

The sum appropriated shall be expended by the department of Hawaiian home lands for the purposes of this Act.”

SECTION 4. There is appropriated out of the Act 279 special fund the sum of \$129,100,000 or so much thereof as may be necessary for fiscal year 2024-2025 for the purposes of the special fund; provided that the appropriation made by this Act shall not lapse at the end of the fiscal biennium for which the appropriation is made; provided further that all moneys from the appropriation unexpended or unencumbered as of June 30, 2026, shall lapse as of that date.

The sum appropriated shall be expended by the department of Hawaiian home lands for the purposes of Act 279, Session Laws of Hawaii 2022.

SECTION 5. On June 30, 2026, the Act 279 special fund shall be abolished and any unexpended and unencumbered balance as of the close of business on June 30, 2026, shall lapse to the general fund on that date.

SECTION 6. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the invalidity does not affect other provisions or applications of the Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 7. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 8. This Act shall take effect on June 29, 2024; provided that:

- (1) Section 4 shall take effect on July 1, 2024; and
- (2) Section 2 shall be repealed on June 30, 2026.

(Approved June 28, 2024.)