
A BILL FOR AN ACT

RELATING TO LANDS CONTROLLED BY THE STATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Act 176, Session Laws of Hawaii 2009, which
2 took effect on July 13, 2009, establishes legislative oversight
3 of sales or exchanges of land, other than remnant parcels, held
4 by the State. Act 176 requires state agencies to:

5 (1) Hold an informational meeting in the community in
6 which the land at issue is located;

7 (2) Submit a concurrent resolution to the legislature
8 including specified information about the proposed
9 land sale or exchange; and

10 (3) Obtain legislative approval by at least a two-thirds
11 majority vote in each house.

12 The Act exempts transfers of remnant parcels, the issuance of
13 licenses, permits, easements, and leases, and the sale or
14 exchange of lands between state departments or agencies from its
15 requirements.

16 Act 176, however, does not exempt the resale of individual
17 dwelling units previously encumbered by buyback or shared
18 appreciation restrictions held by the Hawaii housing finance and



1 development corporation. These resale restrictions are intended
2 to prevent speculation and allow the corporation to capture a
3 portion of the appreciation in the value of the dwelling unit
4 following a sale, foreclosure, or transfer by the original
5 eligible homeowner to finance the development of additional
6 affordable housing units. Consequently, upon the corporation's
7 repurchase of individual dwelling units, the corporation is not
8 able to resell these homes to eligible residents without
9 complying with the requirements of Act 176 and obtaining
10 legislative approval. The corporation has incurred significant
11 delays and costs for maintaining the properties and complying
12 with public meeting requirements, which reduce the amount of
13 funding available for new affordable housing developments.

14 The purpose of this Act is to exempt the fee simple resale
15 of individual dwelling units or lots on non-ceded lands acquired
16 by the Hawaii housing finance and development corporation under
17 section 201H-47, Hawaii Revised Statutes, from the requirements
18 of section 171-64.7, Hawaii Revised Statutes.

19 SECTION 2. Section 171-64.7, Hawaii Revised Statutes, is
20 amended by amending subsection (f) to read as follows:

21 "(f) This section shall not apply to sales or gifts of
22 lands described in subsection (a) between state departments or



1 agencies, [~~and~~] to sales of available lands under the Hawaiian
2 Homes Commission Act[~~-~~], or to the fee simple sale of affordable
3 homes, on public lands that are non-ceded lands, that are
4 subject to resale restrictions as set forth in section 201H-47
5 and that were acquired by the Hawaii housing finance and
6 development corporation either at a foreclosure sale or under a
7 buyback as authorized in section 201H-47."

8 SECTION 3. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 4. This Act shall take effect on July 1, 2050.

11



Report Title:

State-Controlled Lands; Repurchased or Foreclosed Homes

Description:

Exempts the fee-simple resale of individual dwellings on public lands that are non-ceded lands that are repurchased or foreclosed on by the Hawaii Housing Finance and Development Corporation, from legislative approval requirements. Effective July 1, 2050. (SD1)

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