July 1, 2014

The Honorable Donna Mercado Kim,
President
and Members of the Senate
Twenty-Seventh State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Seventh State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

This is to inform you that on July 1, 2014, the following bill was signed into law:

HB2288 HD1 SD1 CD1 RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS
ACT 173 (14)

Sincerely,

NEIL ABERCROMBIE
Governor, State of Hawaii
RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS.

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

SECTION 1. Section 204, Hawaiian Homes Commission Act, 1920, as amended, is amended by amending subsection (a) to read as follows:

"(a) Upon the passage of this Act, all available lands shall immediately assume the status of Hawaiian home lands and be under the control of the department to be used and disposed of in accordance with the provisions of this Act, except that:

(1) In case any available land is under lease by the Territory of Hawaii, by virtue of section 73 of the Hawaiian Organic Act, at the time of the passage of this Act, such land shall not assume the status of Hawaiian home lands until the lease expires or the board of land and natural resources withdraws the lands from the operation of the lease. If the land is covered by a lease containing a withdrawal clause, as provided in section 73(d) of the Hawaiian Organic Act, the board of land and natural resources shall withdraw
such lands from the operation of the lease whenever
the department gives notice to the board that the
department is of the opinion that the lands are
required by it for the purposes of this Act; and such
withdrawal shall be held to be for a public purpose
within the meaning of that term as used in section
73(d) of the Hawaiian Organic Act.

(2) Any available land, including lands selected by the
department out of a larger area, as provided by this
Act, not leased as authorized by section 207(a) of
this Act, may be returned to the board of land and
natural resources as provided under section 212 of
this Act, or may be retained for management by the
department. Any Hawaiian home lands general lease
issued by the department after June 30, 1985, shall
contain a withdrawal clause allowing the department to
withdraw the land leased at any time during the term
of the lease for the purposes of this Act.

In the management of any retained available lands
not required for leasing under section 207(a), the
department may dispose of those lands or any
improvements thereon to the public, including native Hawaiians, on the same terms, conditions, restrictions, and uses applicable to the disposition of public lands in chapter 171, Hawaii Revised Statutes; provided that the department may not sell or dispose of such lands in fee simple except as authorized under section 205 of this Act; provided further that the department is expressly authorized to negotiate, prior to negotiations with the general public, the disposition of Hawaiian home lands or any improvements thereon to a native Hawaiian, or organization or association owned or controlled by native Hawaiians, for commercial, industrial, or other business purposes, in accordance with the procedures set forth in chapter 171, Hawaii Revised Statutes[, ]; provided further that in addition to dispositions made pursuant to chapter 171, Hawaii Revised Statutes, the department may lease by direct negotiation and at fair market rents, and for a term not to exceed five years, any improvements on Hawaiian home lands, or portions
thereof, that are owned or controlled by the
department.

(3) The department, with the approval of the Secretary of
the Interior, in order to consolidate its holdings or
to better effectuate the purposes of this Act, may
exchange the title to available lands for land,
privately or publicly owned, of an equal value. All
lands so acquired by the department shall assume the
status of available lands as though the land were
originally designated as available lands under section
203 of this Act, and all lands so conveyed by the
department shall assume the status of the land for
which it was exchanged. The limitations imposed by
section 73(1) of the Hawaiian Organic Act and the land
laws of Hawaii as to the area and value of land that
may be conveyed by way of exchange shall not apply to
exchanges made pursuant hereto. No such exchange of
land publicly owned by the State shall be made without
the approval of two-thirds of the members of the board
of land and natural resources. For the purposes of
this paragraph, lands "publicly owned" means land
owned by a county or the State or the United States."

SECTION 2. Statutory material to be repealed is bracketed
and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 2014.

APPROVED this 1 day of JUL , 2014

GOVERNOR OF THE STATE OF HAWAI'I