A BILL FOR AN ACT

RELATING TO RESIDENTIAL LEASEHOLDS.

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

SECTION 1. The legislature finds that chapter 516, Hawaii Revised Statutes, contains provisions to effectuate a leasehold-to-fee-simple conversion for limited properties. Section 516-2, states in part: "This chapter applies to all lands leased as residential lots which are owned or held privately or owned by the State or its political subdivisions, except Hawaiian home lands which are subject to Article XII of the Constitution of the State and lands owned or held by the federal government."

The legislature further finds that Ahupua'a 'O Kahana state park is one of the few remaining intact ahupua'a on O'ahu. This park was established in 1971 as Kahana valley state park and is comprised of 5,229 acres. The park was created as a living park so that families residing in the valley continuously since the 1960s could remain in the valley and provide cultural interpretive services.

department of land and natural resources is authorized to subdivide and provide for the creation of a residential subdivision in Kahana valley for persons who receive long term leases under the provisions of this act". To assist in the relocation of valley residents and construction of new dwellings on the designated houselots, Act 238, Session Laws of Hawaii 1988, section 2, authorized the housing finance and development corporation to offer mortgage financing up to $50,000 per lessee.

The legislature further finds that in 1993, about thirty-one residential leases were issued by the State to residents in Ahupua'a 'O Kahana state park for a term of sixty-five years. Today, twenty-eight leases remain in effect and six conditional leases are pending. In lieu of monetary rent, all lessees are required to participate in interpretive programs in the park for twenty-five hours per month. Lessees are responsible for building and maintaining their residences and for payment of county property taxes, utility bills, and insurance policies.

According to a 1985 attorney general opinion (A.G. Op. No. 85-16), chapter 516, Hawaii Revised Statutes, is only applicable to residential lots that are zoned for residential
use. Based on that opinion and because all of Kahana valley is within the state conservation district and zoned preservation by the city and county of Honolulu, the lessees in Kahana valley may not pursue lease-to-fee conversion.

The purpose of this Act is to delete the requirement that lease-to-fee conversion applies only to parcels zoned for residential use.

SECTION 2. Section 516-1, Hawaii Revised Statutes, is amended by amending the definition of "lot", "houselot", "residential lot", and "residential houselot" to read as follows:

"Lot", "houselot", "residential lot", and "residential houselot" mean a parcel of land, two acres or less in size, [zoncd for rcoidcntial use,] which is used or occupied or is developed, devoted, intended, or permitted to be used or occupied as a principal place of residence for one or two families."

SECTION 3. Statutory material to be repealed is bracketed and stricken.
SECTION 4. This Act shall take effect on July 1, 2019.
Report Title:
Residential Leaseholds; Definitions; Residential Use

Description:
Amends the definition of "lot", "houselot", "residential lot", and "residential houselot" in section 516-1, HRS, by deleting the requirement that such parcels be zoned for residential use.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.