



EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

July 5, 2017 **GOV. MSG. NO. 1181**

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Twenty-Ninth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Twenty-Ninth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on July 5, 2017, the following bill was signed into law:

HB451 HD1 SD2 CD1

RELATING TO THE HAWAIIAN HOMES  
COMMISSION ACT  
**ACT 080 (17)**

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

# A BILL FOR AN ACT

RELATING TO THE HAWAIIAN HOMES COMMISSION ACT.

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

1           SECTION 1. The legislature recognizes that the State has a  
2 fiduciary duty to support the rehabilitation of the Hawaiian  
3 people, in part by ensuring long-term tenancies to beneficiaries  
4 and successors of beneficiaries of the Hawaiian Homes Commission  
5 Act, 1920, as amended.

6           The legislature emphasizes that many descendants of lessees  
7 of Hawaiian home lands do not qualify as successors because  
8 interracial marriages and blended families produce descendants  
9 who are less than twenty-five per cent Hawaiian. These  
10 disruptions create undue hardships of displacement and interfere  
11 with families' abilities to maintain the equity of their homes  
12 and businesses.

13           The legislature further finds that a reduction in blood  
14 quantum requirements for certain successors will lead to a  
15 reduction in the trend of "highest bid" and "leapfrog" homestead  
16 lease sales. Further, this reform will encourage current  
17 lessees to maintain and invest in their residences, as the



1 lessees anticipate that their descendants will be able to make  
2 use of the properties for many generations to come.

3 The purpose of this Act is to reduce the minimum Hawaiian  
4 blood quantum requirement of certain successors to lessees of  
5 Hawaiian home lands from one quarter to one thirty-second.

6 SECTION 2. Section 209 of the Hawaiian Homes Commission  
7 Act, 1920, as amended, is amended by amending subsection (a) to  
8 read as follows:

9 "(a) Upon the death of the lessee, the lessee's interest  
10 in the tract or tracts and the improvements thereon, including  
11 growing crops and aquacultural stock (either on the tract or in  
12 any collective contract or program to which the lessee is a  
13 party by virtue of the lessee's interest in the tract or  
14 tracts), shall vest in the relatives of the decedent as provided  
15 in this paragraph. From the following relatives of the lessee  
16 who are (1) at least [~~one-quarter~~] one thirty-second Hawaiian,  
17 [~~husband, wife,~~] spouse, children, grandchildren, brothers, or  
18 sisters, or (2) native Hawaiian, father and mother, widows or  
19 widowers of the children, widows or widowers of the brothers and  
20 sisters, or nieces and nephews,—the lessee shall designate the  
21 person or persons to whom the lessee directs the lessee's



1 interest in the tract or tracts to vest upon the lessee's death.  
2 The Hawaiian blood requirements shall not apply to the  
3 descendants of those who are not native Hawaiians but who were  
4 entitled to the leased lands under section 3 of the Act of  
5 May 16, 1934 (48 Stat. 777, 779), as amended, or under section 3  
6 of the Act of July 9, 1952 (66 Stat. 511, 513). In all cases  
7 that person or persons need not be eighteen years of age. The  
8 designation shall be in writing, may be specified at the time of  
9 execution of the lease with a right in the lessee in similar  
10 manner to change the beneficiary at any time and shall be filed  
11 with the department and approved by the department in order to  
12 be effective to vest the interests in the successor or  
13 successors so named.

14 In case of the death of any lessee, except as hereinabove  
15 provided, who has failed to specify a successor or successors as  
16 approved by the department, the department may select from only  
17 the following qualified relatives of the decedent:

- 18 (1) [~~Husband or wife,~~] Spouse; or  
19 (2) If there is no [~~husband or wife,~~] spouse, then the  
20 children; or



1 (3) If there is no [~~husband, wife,~~] spouse or child, then  
2 the grandchildren; or

3 (4) If there is no [~~husband, wife,~~] spouse, child, or  
4 grandchild, then brothers or sisters; or

5 (5) If there is no [~~husband, wife,~~] spouse, child,  
6 grandchild, brother, or sister, then from the  
7 following relatives of the lessee who are native  
8 Hawaiian: father and mother, widows or widowers of  
9 the children, widows or widowers of the brothers and  
10 sisters, or nieces and nephews.

11 The rights to the use and occupancy of the tract or tracts may  
12 be made effective as of the date of the death of the lessee.

13 In the case of the death of a lessee leaving no designated  
14 successor or successors, [~~husband, wife,~~] spouse, children,  
15 grandchildren, or relative qualified to be a lessee of Hawaiian  
16 home lands, the land subject to the lease shall resume its  
17 status as unleased Hawaiian home lands and the department is  
18 authorized to lease the land to a native Hawaiian as provided in  
19 this Act.

20 Upon the death of a lessee who has not designated a  
21 successor and who leaves a spouse not qualified to succeed to



1 the lease or children not qualified to succeed to the lease, or  
2 upon the death of a lessee leaving no relative qualified to be a  
3 lessee of Hawaiian home lands, or the cancellation of a lease by  
4 the department, or the surrender of a lease by the lessee, the  
5 department shall appraise the value of all the improvements and  
6 growing crops or improvements and aquacultural stock, as the  
7 case may be, and shall pay to the nonqualified spouse or the  
8 nonqualified children as the lessee shall have designated prior  
9 to the lessee's death, or to the legal representative of the  
10 deceased lessee, or to the previous lessee, as the case may be,  
11 the value thereof, less any indebtedness to the department, or  
12 for taxes, or for any other indebtedness the payment of which  
13 has been assured by the department, owed by the deceased lessee  
14 or the previous lessee. These payments shall be made out of the  
15 Hawaiian home loan fund and shall be considered an advance  
16 therefrom and shall be repaid by the successor or successors to  
17 the tract involved. If available cash in the Hawaiian home loan  
18 fund is insufficient to make these payments, payments may be  
19 advanced from the Hawaiian home general loan fund and shall be  
20 repaid by the successor or successors to the tract involved;  
21 provided that any repayment for advances made from the Hawaiian



1 home general loan fund shall be at the interest rate established  
2 by the department for loans made from the Hawaiian home general  
3 loan fund. The successor or successors may be required by the  
4 commission to obtain private financing in accordance with  
5 section 208(6) to pay off the amount advanced from the Hawaiian  
6 home loan fund or Hawaiian home general loan fund."

7 SECTION 3. The provisions of the amendments made by this  
8 Act to the Hawaiian Homes Commission Act, 1920, as amended, are  
9 declared to be severable, and if any section, sentence, clause,  
10 or phrase, or the application thereof to any person or  
11 circumstances is held ineffective because there is a requirement  
12 of having the consent of the United States to take effect, then  
13 that portion only shall take effect upon the granting of consent  
14 by the United States and effectiveness of the remainder of these  
15 amendments or the application thereof shall not be affected.

16 SECTION 4. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.

18 SECTION 5. This Act shall take effect upon its approval by  
19 the governor of the State of Hawaii with the consent of the  
20 United States Congress.



H.B. NO. 451  
H.D. 1  
S.D. 2  
C.D. 1

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APPROVED this 5 day of JUL , 2017

A handwritten signature in black ink, appearing to read "David Ige". The signature is fluid and cursive, with the first name "David" and the last name "Ige" clearly distinguishable.

GOVERNOR OF THE STATE OF HAWAII



HB No. 451, HD 1, SD 2, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 2, 2017  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2017.



Joseph M. Souki  
Speaker  
House of Representatives

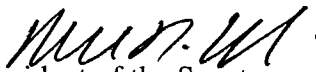



Brian L. Takeshita  
Chief Clerk  
House of Representatives

**THE SENATE OF THE STATE OF HAWAII**

Date: May 2, 2017  
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the  
Senate of the Twenty-ninth Legislature of the State of Hawaii, Regular Session of 2017.

  
President of the Senate

  
Clerk of the Senate