
A BILL FOR AN ACT

RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED.

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

1 SECTION 1. Section 209 of the Hawaiian Homes Commission
2 Act, 1920, as amended, is amended by amending subsection (a) to
3 read as follows:

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



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

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

- 16 (1) Husband or wife; or
- 17 (2) If there is no husband or wife, then the children; or
- 18 (3) If there is no husband, wife, or child, then the
19 grandchildren; or
- 20 (4) If there is no husband, wife, child, or grandchild,
21 then from the following relatives of the lessee who
22 are native Hawaiian: father and mother, widows or



1 widowers of the children, brothers and sisters, widows
 2 or widowers of the brothers and sisters, or nieces and
 3 nephews.

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

6 In the case of the death of a lessee leaving no designated
 7 successor or successors, husband, wife, children, grandchildren,
 8 or relative qualified to be a lessee of Hawaiian home lands, the
 9 land subject to the lease shall resume its status as unleased
 10 Hawaiian home lands and the department is authorized to lease
 11 the land to a native Hawaiian as provided in this Act.

12 Upon the death of a lessee who has not designated a
 13 successor and who leaves a spouse not qualified to succeed to
 14 the lease or children not qualified to succeed to the lease, or
 15 upon the death of a lessee leaving no relative qualified to be a
 16 lessee of Hawaiian home lands, or the cancellation of a lease by
 17 the department, or the surrender of a lease by the lessee, the
 18 department shall appraise the value of all the improvements and
 19 growing crops or improvements and aquacultural stock, as the
 20 case may be, and shall pay to the nonqualified spouse or the
 21 nonqualified children as the lessee shall have designated prior
 22 to the lessee's death, or to the legal representative of the



1 deceased lessee, or to the previous lessee, as the case may be,
2 the value thereof, less any indebtedness to the department, or
3 for taxes, or for any other indebtedness the payment of which
4 has been assured by the department, owed by the deceased lessee
5 or the previous lessee. These payments shall be made out of the
6 Hawaiian home loan fund and shall be considered an advance
7 therefrom and shall be repaid by the successor or successors to
8 the tract involved. If available cash in the Hawaiian home loan
9 fund is insufficient to make these payments, payments may be
10 advanced from the Hawaiian home general loan fund and shall be
11 repaid by the successor or successors to the tract involved;
12 provided that any repayment for advances made from the Hawaiian
13 home general loan fund shall be at the interest rate established
14 by the department for loans made from the Hawaiian home general
15 loan fund. The successor or successors may be required by the
16 commission to obtain private financing in accordance with
17 section 208(6) to pay off the amount advanced from the Hawaiian
18 home loan fund or Hawaiian home general loan fund."

19 SECTION 2. The amendments made by this Act are declared to
20 be severable, and if any of them, or the application thereof to
21 any person or circumstances is held ineffective because there is
22 a requirement of having the consent of the United States to take



1 effect, then, that portion only shall take effect upon the
2 granting of consent by the United States and the effectiveness
3 of the remainder of these legislative amendments or the
4 application thereof shall not be affected.

5 SECTION 3. New statutory material is underscored.

6 SECTION 4. This Act shall take effect upon its approval.

APPROVED BY THE
GOVERNOR ON

MAY 18 2001

Honolulu, Hawaii
A-26, 2001

RE: S.B. No. 1101
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-First State Legislature
Regular Session of 2001
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1101 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED,"

begs leave to report as follows:

The purpose of this bill is to authorize the Department of Hawaiian Home Lands (DHHL) to require a successor lessee who receives a homestead lease due to:

- (1) The death of a lessee who leaves no qualified successor;
- (2) The cancellation of a lease by DHHL; or
- (3) The surrender of a lease by the lessee,

to secure private financing to repay any advances made from the Hawaiian Home Loan Fund or Hawaiian Home General Loan Fund.

DHHL testified in support of this measure.

Your Committee has amended this bill by:

- (1) Including a severability provision; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.



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BENJAMIN J. CAYETANO
GOVERNOR
STATE OF HAWAII



RAYNARD C. SOON
CHAIRMAN
HAWAIIAN HOMES COMMISSION

JOHIE M. K. M. YAMAGUCHI
DEPUTY TO THE CHAIRMAN

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
P.O. BOX 1879
HONOLULU, HAWAII 96805

**TESTIMONY ON S.B. 1101
RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED
BEFORE THE HOUSE COMMITTEE ON FINANCE**

March 30, 2001

Chair Takamine and Members of the Committee:

This is the companion bill to H.B. 626 that was previously heard and passed out by the committee. The purpose of this Administration bill is to authorize the department to require a successor lessee who receives a homestead lease due to the death of a lessee leaving no qualified successor, or the cancellation of a lease by the department, or the surrender of a lease by the lessee, to secure private financing to repay any advances made from the Hawaiian home loan fund or Hawaiian home general loan fund pursuant to section 209(a) of the Hawaiian Homes Commission Act, 1920, as amended (HHCA).

We respectfully request your passage of this Administration bill and are available to respond to any questions.