

Act 174

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# 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 held by the State. Act 176  
4 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

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1 development corporation. These resale restrictions are intended  
2 to prevent speculation and allow the corporation to finance the  
3 development of additional affordable housing units by capturing  
4 a portion of the appreciation in the value of the dwelling unit  
5 following a sale, foreclosure, or transfer by the original  
6 eligible homeowner. 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 lands not classified as  
16 government or crown lands previous to August 15, 1895, or  
17 exchanged subsequent to August 15, 1895, for such lands,  
18 acquired by the Hawaii housing finance and development  
19 corporation under section 201H-47, Hawaii Revised Statutes, from  
20 the requirements of section 171-64.7, Hawaii Revised Statutes.

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

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1           "(f) This section shall not apply to sales or gifts of  
2 lands described in subsection (a) between state departments or  
3 agencies, [~~and~~] to sales of available lands under the Hawaiian  
4 Homes Commission Act[-], or to the fee simple sale of affordable  
5 homes on lands not classified as government or crown lands  
6 previous to August 15, 1895, or exchanged subsequent to August  
7 15, 1895, for lands classified as government or crown lands  
8 previous to August 15, 1895, that are subject to resale  
9 restrictions as set forth in section 201H-47 and that were  
10 acquired by the Hawaii housing finance and development  
11 corporation either at a foreclosure sale or under a buyback as  
12 authorized in section 201H-47."

13           SECTION 3. Statutory material to be repealed is bracketed  
14 and stricken. New statutory material is underscored.

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



**Report Title:**

State-Controlled Lands; Repurchased or Foreclosed Homes

**Description:**

Exempts the fee-simple resale of affordable homes on public lands that are not ceded lands that are repurchased or foreclosed on by the Hawaii Housing Finance and Development Corporation, from legislative approval requirements. (HB2845 CD1)

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

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