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:

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

"(a) Upon the death of the lessee, the lessee's interest in the tract or tracts and the improvements thereon, including growing crops and aquacultural stock (either on the tract or in any collective contract or program to which the lessee is a party by virtue of the lessee's interest in the tract or tracts), shall vest in the relatives of the decedent as provided in this paragraph. From the following relatives of the lessee who are (1) at least one-quarter Hawaiian, husband, wife, children, or grandchildren, or (2) native Hawaiian, father and mother, widows or widowers of the children, brothers and sisters, widows or widowers of the brothers and sisters, or nieces and nephews, -- the lessee shall designate the person or persons to whom the lessee directs the lessee's interest in the tract or tracts to vest upon the lessee's death. The Hawaiian
blood requirements shall not apply to the descendants of those who are not native Hawaiians but who were entitled to the leased lands under section 3 of the Act of May 16, 1934 (48 Stat. 777, 779), as amended, or under section 3 of the Act of July 9, 1952 (66 Stat. 511, 513). In all cases that person or persons need not be eighteen years of age. The designation shall be in writing, may be specified at the time of execution of the lease with a right in the lessee in similar manner to change the beneficiary at any time and shall be filed with the department and approved by the department in order to be effective to vest the interests in the successor or successors so named.

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

(1) Husband or wife; or
(2) If there is no husband or wife, then the children; or
(3) If there is no husband, wife, or child, then the grandchildren; or
(4) If there is no husband, wife, child, or grandchild, then from the following relatives of the lessee who are native Hawaiian: father and mother, widows or
widowers of the children, brothers and sisters, widows
or widowers of the brothers and sisters, or nieces and
nephews.

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

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

Upon the death of a lessee who has not designated a
successor and who leaves a spouse not qualified to succeed to
the lease or children not qualified to succeed to the lease, or
upon the death of a lessee leaving no relative qualified to be a
lessee of Hawaiian home lands, or the cancellation of a lease by
the department, or the surrender of a lease by the lessee, the
department shall appraise the value of all the improvements and
growing crops or improvements and aquacultural stock, as the
case may be, and shall pay to the nonqualified spouse or the
nonqualified children as the lessee shall have designated prior
to the lessee's death, or to the legal representative of the
deceased lessee, or to the previous lessee, as the case may be, the value thereof, less any indebtedness to the department, or for taxes, or for any other indebtedness the payment of which has been assured by the department, owed by the deceased lessee or the previous lessee. These payments shall be made out of the Hawaiian home loan fund and shall be considered an advance therefrom and shall be repaid by the successor or successors to the tract involved. If available cash in the Hawaiian home loan fund is insufficient to make these payments, payments may be advanced from the Hawaiian home general loan fund and shall be repaid by the successor or successors to the tract involved; provided that any repayment for advances made from the Hawaiian home general loan fund shall be at the interest rate established by the department for loans made from the Hawaiian home general loan fund. The successor or successors may be required by the commission to obtain private financing in accordance with section 208(6) to pay off the amount advanced from the Hawaiian home loan fund or Hawaiian home general loan fund."

SECTION 2. The amendments made by this Act are declared to be severable, and if any of them, or the application thereof to any person or circumstances is held ineffective because there is a requirement of having the consent of the United States to take
effect, then, that portion only shall take effect upon the
granting of consent by the United States and the effectiveness
of the remainder of these legislative amendments or the
application thereof shall not be affected.

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.
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.
# Record of Votes of the Committee on Finance

**Bill/Resolution No.:** SB 1101  
**Date:** March 30, 2001

<table>
<thead>
<tr>
<th>Committee Referral:</th>
<th>The committee is reconsidering its previous decision on the measure.</th>
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<tbody>
<tr>
<td>JHA, FIN</td>
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The recommendation is to:  
- [x] Pass, with amendments
- [ ] Pass, unamended
- [ ] Hold
- [ ] Recommit

<table>
<thead>
<tr>
<th>FIN Members</th>
<th>Ayes</th>
<th>Ayes (WR)</th>
<th>Nays</th>
<th>Excused</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. TAKAMINE, Dwight Y. (C)</td>
<td>✔</td>
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<tr>
<td>2. KAWAKAMI, Bertha C. (VC)</td>
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<td>3. CABREROS, Benjamin C.</td>
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<td>4. ESPERO, Willie C.</td>
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<td>5. MAGAOAY, Michael Y.</td>
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<td>6. NAKASONE, Bob</td>
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<td>7. SAIKI, Scott K.</td>
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<td>8. SUZUKI, Nathan</td>
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<td>9. YONAMINE, Nobu</td>
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<td>10. DAVIS, Ron</td>
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<td>11. DJOU, Charles Kong</td>
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<td>12. LEONG, Bertha F.K.</td>
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<td>13. MOSES, Mark</td>
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<td>14. RATH, Jim</td>
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</table>

**TOTAL**  
- [x] 12 Ayes  
- [ ] 0 Ayes (WR)  
- [ ] 0 Nays  
- [ ] 2 Excused

The measure is:  
- [x] Passed, with amendments  
- [ ] Passed, unamended  
- [ ] Recommitted  
- [ ] Held  

If joint referral, committee acronym(s) did not support recommendation.  

**Vice Chair's or designee's signature:**

**Distribution:**  
- [ ] If passed, attach to Committee Report  
- [ ] Data Entry

Record of Votes FIN
A BILL FOR AN ACT

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

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granting of consent by the United States and the effectiveness
of the remainder of these legislative amendments or the
application thereof shall not be affected.

SECTION 3. New statutory material is underscored.
SECTION 4. This Act shall take effect upon its approval.
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.