

STAND. COM. REP. NO.

3069

Honolulu, Hawaii

MAR 24 2006

RE: H.B. No. 2204  
H.D. 2  
S.D. 1

Honorable Robert Bunda  
President of the Senate  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Judiciary and Hawaiian Affairs, to which was referred H.B. No. 2204, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS,"

begs leave to report as follows:

The purpose of this measure is to establish the amount of interim revenue to be transferred to the Office of Hawaiian Affairs from the public land trust, each fiscal year beginning with fiscal year 2005-2006, at \$15,100,000.

In addition, this measure also appropriates \$17,500,000 as the amount of revenues owed to the Office of Hawaiian Affairs for the underpayment of the Office of Hawaiian Affairs' pro rata share of the public land trust revenues between July 1, 2001 and June 30, 2005. This measure also requires the Department of Land and Natural Resources to provide an accounting of revenues from the public land trust.

Your Committee received testimony in support of this measure from the Attorney General, the Office of Hawaiian Affairs, and the Native Hawaiian Chamber of Commerce. The Department of Land and Natural Resources submitted comments on this measure.

Your Committee finds that the agreement embodied in this measure does not extinguish past and future claims that the Office of Hawaiian Affairs may have regarding revenue payments from ceded

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lands. In this light, your Committee notes that \$15,100,000 is the same amount appropriated to the Office of Hawaiian Affairs in Act 329, Session Laws of Hawaii 1997. Your Committee also notes that according to the consumer price index, which measures the average change in prices over time, the \$15,100,000 paid in 1997 would equate to approximately \$19,000,000 in 2006.

Your Committee also finds that the \$17,500,000 agreed upon should be considered a credit for payment owed the Office of Hawaiian Affairs for the period of July 1, 2001 through June 30, 2005. The payment of \$17,500,000 should be construed as if the amount came from the ceded land revenues.

Your Committee has amended this measure to:

- (1) Insert an additional sentence at the end of section 3 to provide that the governor is expressly authorized to fix the amounts each agency shall transfer to the Office of Hawaiian Affairs in each quarter by executive order to implement the provisions of this measure in accordance with the testimony of the Attorney General;
- (2) Ensure that the Office of Hawaiian Affairs shall be consulted by the Department of Land and Natural Resources in determining the method in which the accounting of all receipts from lands described in section 5(f) of the Admission Act shall be conducted;
- (3) Allow for the Office of Hawaiian Affairs to provide funds for the accounting only after the moneys appropriated to the Department of Land and Natural Resources are expended. This amount shall not exceed \$250,000; and
- (4) Change the effective date from July 1, 2020 to July 1, 2006.

Your Committee notes that after decision making on this measure, the Office of Hawaiian Affairs submitted the following proposed language:

Should any additional funds be necessary to carry out the purpose of section 5 after the department of land and natural resources has expended the \$250,000 appropriated out of the general revenues of the State of Hawaii, the office of



Hawaiian affairs shall provide the additional funds up to \$250,000.

The Office of Hawaiian Affairs' proposed changes are underlined above. Your Committee finds that this proposal is in line with the Committee on Judiciary and Hawaiian Affairs' intent in making sure that the Office of Hawaiian Affairs' funds are expended only after those general revenue funds appropriated to the Department of Land and Natural Resources. As such, your Committee asks the Committee on Ways and Means to revise this measure in accordance with the Office of Hawaiian Affairs' proposed language.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2204, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2204, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary and  
Hawaiian Affairs,

  
COLLEEN HANABUSA, Chair



