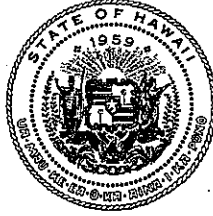


LINDA LINGLE
GOVERNOR OF HAWAII



LATE

LAURA H. THIELEN
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

RUSSELL Y. TSUJI
FIRST DEPUTY

KEN C. KAWAHARA
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
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KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**TESTIMONY OF THE CHAIRPERSON
OF THE BOARD OF LAND AND NATURAL RESOURCES**

ON

Senate Bill 2405 – RELATING TO TAXATION

BEFORE THE SENATE COMMITTEE

on

WATER AND LAND

January 28, 2008

Senate Bill 2405 proposes to provide tax credits for donations of hazard-prone property to a public entity, or private non-profit land trust, for permanent non-developmental purpose that is related to public use. The Department of Land and Natural Resources (Department) defers to the Department of Taxation on the tax consequences of this measure, but offers the following comments on acquiring hazard-prone properties.

The Department has often discouraged the acquisition of hazardous-prone properties, especially when the associated liabilities outweigh the public benefits. The State's acceptance of the liability for what would otherwise be a privately owned hazard-prone property is inconsistent with prudent land management practice, and could be viewed as contrary to the public trust and our fiduciary obligations.

Whereas "hazardous-prone property" as defined by this bill includes property that "after consideration of all facts and circumstances cannot be meaningfully developed", the nature of these properties in itself should preclude actual development.

LATE TESTIMONY

Caren Diamond
Post Office Box 536
Hanalei, Hi, 96714

2:45 p.m.

Conference Room 414

State Capitol

415 South Beretania Street

January 28, 2008

COMMITTEE ON WATER AND LAND

Senator Clayton Hee, Chair

Senator Russell S. Kokubun, Vice Chair

Aloha Committee Chair Hee, and Vice Chair Kokobun and Members of Water and Land,
Subject: Strong Support for SB 2405 RELATING TO TAXATION.

This is an excellent solution that provides benefits to the property owner as well as the public. Providing an enhanced tax credit for owners who donate their hazard-prone property to a public entity, or private non-profit land trust, for a permanent non-developmental purpose that is related to a public use is a win win situation for all. This will help prevent development in places where coastal hazards would be too great to accommodate building, or where a seawall and loss of the beach would be necessary for construction to occur.

With rising sea levels on already eroding coastal areas, many lots are too close for safe development, this enhanced tax credit will help those landowners mitigate the loss, while providing for the public trust. Mahalo for your support, Caren Diamond

LATE TESTIMONY

From: Judy Dalton [mailto:dalton@aloha.net]
Sent: Monday, January 28, 2008 12:41 AM
To: testimony
Subject: Testimony: WTL, EDT, WAM SB2405 - 1/28 at 2:45pm

DATE: January 28, 2008
TIME: 2:45 p.m.
PLACE: Conference Room 414

Re: SB 2405 RELATING TO TAXATION.

Provides an enhanced tax credit for owners who donate their hazard-prone property to a public entity, or private non-profit land trust, for a permanent non-developmental purpose that is related to a public use.

Aloha Committee on Water and Land Chair Senator Hee and Vice Chair Kokubun,

Amending Hawaii Revised Statute Chapter 235 to allow tax credit for hazard-prone property is a win/win as it will benefit both property owners and the public. It offers a very effective means of providing access to lands that would otherwise be denied from public use.

I hope that you will support this bill.

Thank you,

Judy Dalton
4330 Kauai Beach Drive
Lihue, HI 96766
tel. 808-246-9067