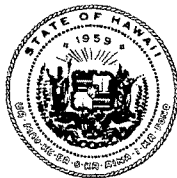


Linda Lingle
GOVERNOR



KAREN SEDDON
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO

Statement of
Karen Seddon
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

February 26, 2009, 12:00 p.m.
Room 308, State Capitol

In consideration of
H.B. 1741
RELATING TO THE CONVEYANCE TAX.

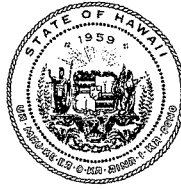
The HHFDC has serious concerns with H.B. 1741. While we recognize that the intent of this bill is to address budgetary concerns, reducing the percentage of conveyance tax revenues dedicated to the Rental Housing Trust Fund by half would have a devastating effect on the development of much-needed affordable rental housing statewide.

Based on current conveyance tax projections, the Rental Housing Trust Fund would receive approximately \$3,434,427 in FY2010, and \$3,900,000 in FY 2011 under this bill. At these funding levels, the HHFDC cannot fully leverage its annual allocation of Federal Low-Income Housing Tax Credits. The Federal tax credits are typically leveraged with other financial resources, including the Rental Housing Trust Fund, to finance the development of approximately 150 rental units per year. This bill, combined with declining real estate transactions would severely hinder the production of rental housing for lower income households.

Thank you for the opportunity to testify.

LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR



KURT KAWAFUCHI
DIRECTOR OF TAXATION

SANDRA L. YAHIRO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809

PHONE NO: (808) 587-1510
FAX NO: (808) 587-1560

**HOUSE COMMITTEES ON FINANCE
TESTIMONY REGARDING HB 1741
RELATING TO CONVEYANCE TAX**

TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)

DATE: FEBRUARY 26, 2009

TIME: 12:00PM

ROOM: 308

This bill directs certain conveyance taxes to the general fund that were previously directed to special funds.

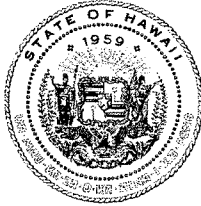
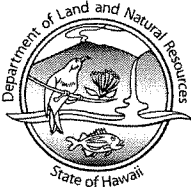
The Department of Taxation (Department) **recommends passing this measure to keep discussions continuing regarding the state's revenues.**

While recognizing that the programs directly supported by conveyance taxes may be worthwhile, the effect of funding these programs through a special fund is to grant these programs a super-priority status over all other programs or expenses of the State, as they do not need to compete for general fund allocations. During these tough economic times, the Department encourages this committee to review these directly funded programs against the programs and expenses supported by the general fund. If these directly funded programs have less priority in the eyes of the committee than programs competing for general fund allocations, the department encourages the committee to abolish the special funds and provide for the programs through general fund allocations as appropriate.

REVENUE GAIN—This legislation will result in a revenue gain to the general fund of about \$12.0 million for FY 2010 to FY 2015.

For FY 2010 to FY 2015, the Land Conservation Fund decreases \$3.0 million per year; the Rental Housing Trust Fund decreases \$5.0 million per year; and the Natural Area Reserve Fund decreases \$4.0 million per year.

LINDA LINGLE
GOVERNOR OF HAWAII



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
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING

FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
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
LAURA H. THIELEN
Chairperson**

**Before the House Committee on
FINANCE**

**Thursday, February 26, 2009
12:00 PM
State Capitol, Conference Room 308**

**In consideration of
HOUSE BILL 1741
RELATING TO THE CONVEYANCE TAX**

House Bill 1741 would suspend the distribution of a portion of the Conveyance Tax to the Land Conservation Fund (LCF) and reduce the portions transmitted to Natural Area Reserve Fund (NARF) & the Rental Housing Trust Fund (RHTF), through the end of Fiscal Year (FY) 2015 with those portions being credited to the General Fund. The Department of Land and Natural Resources' (Department) comments are restricted to the LCF and the NARF portion of the bill. While the Department is sensitive to the State's economic situation and as such, is amicable to some temporary reductions in special funds to help balance the general fund budget, the Department nonetheless has concerns that this bill is too great a reduction that would severely affect these natural resource conservation programs and would eliminate the core structure of many critical programs. The Department does have suggestions on sustainable reductions.

Because of the decrease in real estate activity, the Conveyance Tax is projected to have a much reduced level of funding in FY2010 and FY2011 than has been available over the past few years. Revenue in FY2007 was \$48 million, \$36 million in FY2008, and is projected to be \$24 million in 2009 and flat into 2010 and potentially 2011. Funding for FY2010 and FY2011 is projected to be \$2.4 million for the LCF, and \$6 million for the NARF Programs. These Programs will be operating at a 50% decline in funding from prior years, and will be reduced to core elements with the status quo.

The LCF supports the **Legacy Land Conservation Program (LLCP)** which protects rare and unique cultural, natural, agricultural, and recreational resources from destruction by funding nonprofits, counties, and State agencies for the acquisition of fee title or conservation easements, and management of these lands.

In FY2008 alone, with \$4.7 million in State funds, the LLCP was able to secure over \$14.3 million in matching funds, including \$6.8 million in federal funds, about \$2 federal dollars for

every state dollar spent. However, estimated Conveyance Tax revenues to the LLCP in FY2009, FY2010 and FY2011 are \$2.4 million or less. Further reductions in state funding will likely result in the loss of federal matching funds and the inability to respond to opportunities to protect Hawaii's valuable and unique land areas from development and destruction.

Zero funding for this Program would result in the loss of 2.0 FTE civil service positions, and the shutdown or delays in administrative processing and finalization of current and prior year acquisitions; stoppage in development of the statewide acquisition plan; stoppage in the development of Administrative Rules and procedures for the program; and loss of opportunity to partner with Federal, County, and private conservation land acquisition programs. Conversely, maintaining basic LLCP structure through a reduced amount of funding would allow continuation of the program via retention of two key civil service positions and the ability to match federal funding for acquisitions. For additional information on the LLCP, please link to <http://hawaii.gov/dlnr/dofaw/llcp>

House Bill 1741 would also affect funding for programs supported by NARF. NARF supports a suite of essential conservation programs including Watershed Partnerships Program, Natural Area Reserves System management, Natural Area Partnership Program, Youth Conservation Corps and internship programs, personnel, central services fees, Forest Stewardship Program, Forest Reserve System watershed management; Conservation Reserve Enhancement Program; Invasive species program operations; Threatened & Endangered species management, and the Hawaii Invasive Species Council Programs. Additional information on these programs can be found at <http://hawaii.gov/dlnr/dofaw/nars/nar-special-fund-brochures-1>.

House Bill 1741 proposes a reduction in portion of the Conveyance Tax going to NARF from 25% to 10%. This would represent a projected reduction in revenue from \$6 million to \$2.4 million dollars for FY2010 and FY2011. At this reduced level of funding, the Department would be only able to support the civil service positions funded by conveyance tax revenue (39.5 FTE, \$2,260,000) and the central service fees for the special fund assessment (\$168,000). If revenues decline below projected amounts, layoffs of civil service staff may be required and tentatively achieved by attrition. The vacancies/layoffs will reduce the Departments capacity to implement these vital programs. Overall, the Department would not be able to maintain the existing long term contract agreements with private landowners under the Natural Area Partnership Program and the Forest Stewardship Program or support for all the other environmental programs described above.

The Department has a number of policy, legal and technical concerns relating to this large a reduction and summarizes the projected impacts to those programs below.

Policy Concerns:

Watershed partnerships are voluntary alliances of over 60 private and public landowners working collaboratively with local, state, and federal agencies to protect forested watersheds for water recharge, conservation, and other ecosystem services. Presently they are comprised of nine watershed partnerships on six islands collectively protecting 1.6 million acres and represented by the Hawaii Association of Watershed Partnerships (HAWP).

NARF support for the Watershed Partnership Grants program will be reduced from \$3.1 million in FY2009 to \$0 in FY 2010, resulting in the Department having little direct funding or technical support for watershed partnerships throughout the State. Effects would be further compounded

since partnerships will then have reduced matching opportunities required to access private, federal, and county sources of funds. They currently leverage close to \$5 million per year in non-state funding that is potentially threatened. Previous substantial gains in weed and ungulate control will be severely eroded resulting in a loss of investments that would take many years to recover. With minimal management capacity, there will be a loss of water recharge capacity, native species, and unique habitat, as well as increased exposure to fire and higher costs to repair sediment-impacted coral reefs resulting from higher rates of erosion. The Ko`olau Mountains watershed alone produces a sustained yield of 135 billion gallons of water per year. The University of Hawaii Economic Research Organization estimates the value of managing this area at \$14 billion. Statewide, Watershed Partnerships protect the primary recharge areas for over 3 trillion gallons annually. Approximately 43 temporary-hire support and field crew workers would be lost if alternate funding is not secured.

The **Natural Area Reserves System (NARS)** was established in 1970 to preserve in perpetuity Hawaii's most unique ecosystems and geological features. There are currently 19 reserves on five islands, encompassing more than 109,000 acres. The diverse areas found in the NARS range from marine and coastal environments to lava flows, tropical rainforests, and an alpine desert. The reserves also protect major watershed areas, which are vital sources of fresh water.

NARS management will be reduced from \$2.7 million in FY2009 to \$0 in FY2010. Compounded by a proposed 28% reduction in the General Fund support, this would greatly reduce the Department's ability to preserve the most unique and intact natural resources on state lands. With the loss of 17 temporary-hire support and field crew workers and operating capital, there would be severely reduced ability to maintain existing infrastructure such as fences, trails and roads, and accompanying losses in the effort to control ungulates, rodents, and noxious and dangerous invasive weeds. Unless alternate funding is secured, the NARS would not have sufficient resources to maintain efforts to: plant rare native species, do environmental outreach, conduct biological/archeological surveys, or accomplish management priorities actions at areas such as Mauna Kea, Kaena Point and Ahihi Kinau NAR.

The **Natural Area Partnership Program (NAPP)** was established by the Legislature in 1991 to provide state funds on a two-for-one basis with private funds for the management of private lands that are dedicated to conservation. With over 30,000 acres enrolled, this innovative program complements the protection efforts on state lands - a partnership essential for the success of conservation in Hawaii.

The NARF funds existing fixed NAPP multi-year contracts. With these funds NAPP partners have supported Invasive Species Councils and Watershed Partnerships with personnel, funding, equipment and facilities for many years. Under House Bill 1741, existing long-term NAPP agreements and contracts would not be honored and funding would be halted. However, partners would be asked to voluntarily delay implementation of the program and voluntarily amend multi-year contracts. The purpose which the landowner gave the conservation easements in perpetuity would not be realized and the easement grantee may be subject to legal action for enforcement of the easement.

The Hawaii **Youth Conservation Corps (YCC)** is a hands-on summer learning experience aimed at educating Hawaii's youth on the many conservation issues that threaten Hawaii's unique environment. Students are mentored by and work alongside some of Hawaii's premiere conservation leaders. Nearly 170 local youth participated in the 2008 summer program.

With this Program receiving \$0 from NARF and no alternate funding secured, the State would default on a federal grant agreement and lose federal funding of \$650,000 per year. The program, which needs \$240,000 to meet the federal match requirements would lose the 25 existing Americorp interns and 175 summer interns that are provided to programs.

The Forest Stewardship Program (FSP) provides technical and financial assistance to owners of non-industrial private forest land that are interested in conservation, restoration, and/or timber production. These services exist as fixed multi-year contracts to private landowners. Under HB1741, existing long-term Forest Stewardship agreements and contracts would be honored and funding would not be maintained at contract levels.

Landowners would be asked to voluntarily delay participation and amend multi-year contracts. State defaulting on the contracts would jeopardize the existing conservation investment.

The Forestry Program manages 55 forest reserves comprising more than 640,000 acres, or 16% of Hawaii's land area. The program also provides financial incentives to agricultural landowners to convert fallow or open land to trees, shrubs, and forest habitat, conducts control and monitoring efforts in each county for existing and incipient invasive species, and supports threatened and endangered species management.

Funding for this Program will be reduced to \$0, resulting in the Department having little direct funding to invest in managing public forest reserves, or provide private landowner assistance which include many of our most valuable watersheds. Zero funding would result in loss of 12.5 temporary-hire support and field crew workers and 2.5 FTE federally funded State Civil Service positions (lack of match), and operating capital. This would result in a severely reduced ability to maintain existing forest reserve infrastructure such as fences, trails and roads, and accompanying losses in the effort to control ungulates, cattle, and noxious and dangerous invasive weeds in forest reserves and watersheds and protect and restore endangered and threatened species.

The Conservation Reserve Enhancement Program (CREP) is a federal-state natural resources conservation program that addresses state and nationally significant agricultural related environmental concerns. Through CREP, program participants receive financial incentives from United States Department of Agriculture and the State to voluntarily enroll in the CREP in contracts of 15 years. Participants remove cropland and marginal pastureland from agricultural production and convert the land to native grasses, trees and other vegetation.

Funding for this program will be reduced to \$0, resulting in loss of an opportunity to provide landowner assistance relating to riparian area conservation, reforestation and sedimentation. Normally, this program allows participants to obtain 9:1 funding match ratios from the Federal Government.

The Invasive Species Council Programs (ISCs) are statewide and island-based partnerships of government agencies, non-government organizations, and private businesses working to protect each island from the most threatening invasive pests. The Hawaii ISC (HISC) is the statewide Department lead coordinating council that provides direction, coordination and funding for many of the statewide invasive species programs of prevention, control and eradication, research and

technology, and public outreach. NARF also funds the county-based ISCs that provide rapid response and control work on new invasive pests that have the potential to severely impact our economy, ecosystem, watersheds, human health, and quality of life. A driving objective of the HISC and ISCs is to control the most threatening pests while populations are still relatively small and it is economically feasible to control or eliminate them.

Funding for this program will be reduced to \$0, resulting in the complete loss of funding for the HISC support staff and programs and cease a large portion of the invasive species control efforts statewide. Zero funding would result in loss of 53 temporary-hire support and field crew workers and operating funds. This would result in a severely reduced ability to respond to existing noxious and dangerous invasive weeds and prevent further introductions.

The **Plant Extinction Prevention** program works to prevent the extinction of rare native plants with less than 50 plants remaining in the wild. This is done by numerous restoration methods including monitoring, surveying, and propagation of rare plants; out-planting; removal of invasive species; and fencing of protected areas.

Funding for this program will be reduced to \$0, resulting in the loss of 5.5 temporary-hire field crew workers. Many programs relating to surveying and monitoring threatened and endangered species, plant collection and propagation efforts, and field management of threatened and endangered plant and wildlife species will be discontinued or dramatically reduced. Loss of Federal funding for both personnel and field operations will be imminent.

Legal Concerns:

The Department will be greatly constrained in accomplishing its constitutional, statutory, and court ordered mandates to protect Hawaii unique natural resources and ecosystem services. The Department will potentially not be able to fulfill contract obligations under existing long term contracts under the Natural Area Partnership Program and Forest Stewardship Program with potential loss of public benefits provided under those agreements.

Technical Concerns:

The Department will be greatly constrained in accomplishing its public safety mandates to monitor and manage the approximate 800,000 acres of lands in NARs, forest reserves, plant and wildlife sanctuaries and to maintain basic operations and service to the public at branch offices without these operational funds.

Other Concerns/Comments/Suggestions:

The Department will lose skilled highly trained staff, which will take years to replace once the economy recovers. Some threatened and endangered species will most likely go extinct due to lack of management and preservation efforts. Once gone, they are gone forever. Without ongoing management, recent gains in invasive species control and eradication will be reversed, and new invasive species will potentially become established.

Federally funded projects that are now dependent on conveyance tax revenue to provide the state match will have to be halted with a loss of the accompanying federal funds. Defaulting on federal grant agreements will jeopardize the Department's credibility and ability to secure federal funding in the future.

The Department realizes the difficult decisions that need to be made to balance the general fund budget deficit. Passing House Bill 1741 would provide an estimated \$6 million dollars in support for the general fund, but with dramatic reductions in environmental programs and long lasting effects. One area where this special fund could be cut without jeopardizing existing program structure and staff is in the area of future land acquisitions and a partial reduction in funding for the LCF. An acceptable reduction in the LCF could be from its projected \$2.4 million in funding in FY2010 to \$750,000, a reduction of \$1,650,000. This would result in a loss of short term opportunity for land acquisition, but not require loss of existing program staff and operations. The \$750,000 that would remain would still support the core staffing of 2 positions, operational funds to continue processing current acquisitions, developing plans and administrative rules, and still provide up to \$500,000 in acquisition funds to take advantage of any priority federal or county matched acquisition that may arise over the next few years and keep the program functioning.

The Department would be happy to work with this Committee on any ideas or scenarios on how to help to fix the General Fund deficit, to reduce costs in our programs and try and meet the needs of the varied environmental programs that are our responsibility to implement.



House Bill No. 1741
RELATING TO THE CONVEYANCE TAX.
House Committee on Finance

Date: February 26, 2009 Time: 12:00 pm
Room: 308

The Office of Hawaiian Affairs (OHA) **STRONGLY OPPOSES House Bill 1741**, which temporarily suspends the distribution of a portion of the conveyance tax to the Legacy Land Conservation Fund (LLCF). Through widespread community and legislative support this special fund (in existence since 2005) has contributed enormously to the preservation of lands important to Native Hawaiian people, their culture and our collective island heritage.

Given the current economic times suspending a program which enables ho'olaulima through public and private partnerships, leverages public resources with federal and private funding (approximately 3 matching dollars per every State dollar spent) and ignoring a market place ripe with opportunity would be short sighted. The LLCF encourages just the kinds of activity that is most desirable in our times. Further, OHA understands the pressing demands of fiscal prudence, however, we are equally wary of forgoing present opportunities to better the health and well being of future generations. We must work in the present with a mindfulness for past and future generations.

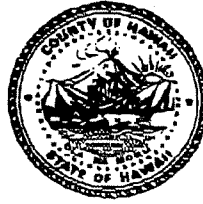
The LLCF has only just begun to engender cooperation and collaboration between Native Hawaiian communities and conservationists in acquiring and protecting 'āina forever in order to preserve our precious watersheds and wetlands, the agricultural potential of our lands and our food self sufficiency and perpetuating our cherished cultural traditions and wahi pana (sacred and treasures sites). Just as an example the program has leveraged resources and community initiative to preserve cherished places and further multiple conservation policy goals such as:

- 1) Kāwā Bay in Ka'ū and Lapakahi in North Kohala, Hawai'i both important cultural, natural resource, endangered species habitat and coastal areas;
- 2) Honouliuli on O'ahu, important cultural, endangered species habitat and watershed area; and
- 3) MA'O Farms in Lualualei Valley, O'ahu and Malu 'Āina, Puna, Hawai'i which are both educational and cultural programs connecting people to 'āina, specifically youth, engendering a love for lifelong learning and a commitment

to food self sufficiency an increasingly important issue
for Hawai'i.

OHA has first hand knowledge of the collaboration and resource
pooling it takes to surmount seemingly unreachable land
preservation goals. As island people, with limited resources we
have long understood the need to work together and pool our
resources in hard times. We are in hard times.

Thank you for the opportunity to testify.



William P. Kenoi
Mayor

Stephen J. Arnett
Housing
Administrator

County of Hawaii
**OFFICE OF HOUSING AND
COMMUNITY DEVELOPMENT**
50 Wailuku Drive • Hilo, Hawai'i 96720-2484
V/TT (808) 961-8379 • FAX (808) 961-8685

February 25, 2009

The Honorable Marcus R. Oshiro
The Honorable Marilyn B. Lee, Vice Chair
and Committee Members
Committee on Finance

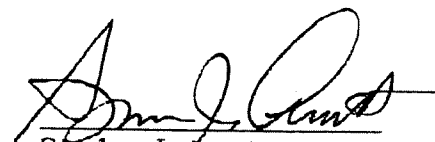
Twenty-Fifth Legislature
Regular Session of 2009

SUBJECT: House Bill 1741
Hearing Date: 2/26/09
Time: 12:00 PM
Conference Room: 308

The Office of Housing and Community Development (OHCD) **opposes** House Bill 1741 as it relates to the Rental Housing Trust Fund (RHTF). Reducing the percentage of conveyance tax revenues dedicated to the RHTF by half would have a devastating effect on the development of much-needed affordable rental housing statewide. In order to address the needs of our citizens, a dedicated source of significant funding must be provided through this and other measures to facilitate ongoing development of much needed housing units statewide. Rather than defer construction of new units, the current downturn in the economy is a good time to start construction of as many new affordable units as possible to maintain construction jobs and produce units that will benefit our residents for many years to come.

Funding the RHTF creates new affordable rental housing and acts as an economic stimulus. The RHTF also mandates that 5% of the units be built for families at 30% of median income, thus creating units for the most needy of our citizens. Ongoing funding from the conveyance tax is vital for housing developers to move forward to search for land and develop projects.

Thank you for your careful consideration of the negative impacts of this bill.


Stephen J. Arnett
Housing Administrator

CHARMAINE TAVARES
Mayor



JEFFREY K. ENG
Director

ERIC H. YAMASHIGE, P.E., L.S.
Deputy Director

DEPARTMENT OF WATER SUPPLY
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793-2155
www.mauiwater.org

February 25, 2009

Honorable Marcus R. Oshiro, Chair
and Members of the House
Committee on Finance
House of Representatives
Hawaii State Capital, Room 306
415 South Beretania Street
Honolulu, HI 96813

Dear Chair Oshiro and Committee Members:

SUBJECT: H.B. 1741, RELATING TO CONVEYANCE TAX
Hearing on Thursday, February 26, 2009, 12:00 p.m.
House Conference Room 308

The County of Maui Department of Water Supply (MDWS) strongly disagree with the proposed changes to H.B. 1741 relating to the conveyance tax to cut funding for the land conservation fund and drastically reduce funding for the natural area reserve fund.

The proposed funding cutbacks will severely damage the watershed partnerships' abilities to protect our forested watersheds. The partnership groups have accomplished great things on their shoestring budgets, yet, they have a long way to go and need our continued support. We understand the current economic situation is difficult and we are having difficulties ourselves. Despite cutbacks and other difficulties. We are maintaining our funding of the watershed partnerships of Maui County in order to protect our critical water sources.

Forested watersheds are crucial to our state's water resources. Fog drip from forests provide a substantial component of the total resource. Non-invaded forests have been shown to provide a more reliable long term source of fog drip. In addition, this resource serves other important public trust functions, such as, preventing erosion to coastal waters, supporting the quality of surface and groundwater through absorption and uptake of nutrients and providing habitat for many threatened and endangered species.

"By Water All Things Find Life"

The Department of Water Supply is an Equal Opportunity provider and employer. To file a complaint of discrimination, write: USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington DC 20250-9410. Or call (202) 720-5964 (voice and TDD)

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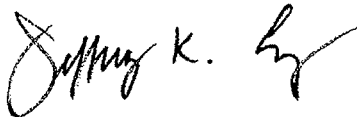


Honorable Marcus R. Oshiro
February 25, 2009
Page 2

In view of these crucial functions, the MDWS has maintained its funding levels in the face of other major budgeted cutbacks, including staff and operational budgets. Even with this continued funding, if state budgets are cut, these programs will suffer severe curtailment.

Healthy forests provide our most precious resource: clean fresh water. The loss of endangered native habitat reduces the ability of the forest to collect water and reduces the quality of the water through increased erosion, feral animal damage and invasive species. Please reconsider these cutbacks and direct them to something less crucial to the public trust function we serve.

Sincerely,

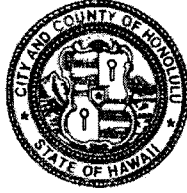
A handwritten signature in black ink, appearing to read "Jeffrey K. Eng". The signature is fluid and cursive, with the first name "Jeffrey" being the most prominent.

JEFFREY K. ENG
Director of Water Supply

tha

DEPARTMENT OF COMMUNITY SERVICES
CITY AND COUNTY OF HONOLULU

715 SOUTH KING STREET, SUITE 311 • HONOLULU, HAWAII 96813 • AREA CODE 808 • PHONE: 768-7762 • FAX: 768-7792



MUFI HANNEMANN
MAYOR

DEBORAH KIM MORIKAWA
ACTING DIRECTOR

ERNEST Y. MARTIN
DEPUTY DIRECTOR

February 24, 2008

The Honorable Marcus Oshiro, Chair
and Members of the House Committee on Finance
State Capitol, Room 306
Honolulu, Hawaii 96813

Dear Chair Oshiro and Members:

Subject: HB No. 1741
Relating to the Conveyance Tax

The Department of Community Services **strongly opposes** the proposed reduction in earmarking a portion of conveyance tax collections for the rental housing trust fund. Sporadic funding of the trust fund has resulted in the current situation where few affordable units are available to low and moderate income renters at this time. The Department administers approximately 4,000 housing choice vouchers and is keenly aware of the dire need for affordable units. As you are aware, the housing development process is a long one requiring several years from project inception to occupancy of dwelling units. In order to address the needs of our citizens, a dedicated source of significant funding must be provided through this and other measures to facilitate ongoing development of much needed housing units statewide. Rather than defer construction of new units, the current downturn in the economy is a good time to start construction of as many new affordable units as possible to maintain construction jobs and produce units that will benefit our residents for many years to come.

Thank you for the opportunity to provide this testimony.

Sincerely,

Deborah Kim Morikawa
Deborah Kim Morikawa
Acting Director

DKM:gk
HB 1741

CHARMAINE TAVARES
Mayor



JEFFREY K. ENG
Director

ERIC H. YAMASHIGE, P.E., L.S.
Deputy Director

DEPARTMENT OF WATER SUPPLY
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793-2155
www.mauiwater.org

February 25, 2009

Honorable Marcus R. Oshiro, Chair
and Members of the House
Committee on Finance
House of Representatives
Hawaii State Capital, Room 306
415 South Beretania Street
Honolulu, HI 96813

Dear Chair Oshiro and Committee Members:

SUBJECT: H.B. 1741, RELATING TO CONVEYANCE TAX
Hearing on Thursday, February 26, 2009, 12:00 p.m.
House Conference Room 308

The County of Maui Department of Water Supply (MDWS) strongly disagree with the proposed changes to H.B. 1741 relating to the conveyance tax to cut funding for the land conservation fund and drastically reduce funding for the natural area reserve fund.

The proposed funding cutbacks will severely damage the watershed partnerships' abilities to protect our forested watersheds. The partnership groups have accomplished great things on their shoestring budgets, yet, they have a long way to go and need our continued support. We understand the current economic situation is difficult and we are having difficulties ourselves. Despite cutbacks and other difficulties. We are maintaining our funding of the watershed partnerships of Maui County in order to protect our critical water sources.

Forested watersheds are crucial to our state's water resources. Fog drip from forests provide a substantial component of the total resource. Non-invaded forests have been shown to provide a more reliable long term source of fog drip. In addition, this resource serves other important public trust functions, such as, preventing erosion to coastal waters, supporting the quality of surface and groundwater through absorption and uptake of nutrients and providing habitat for many threatened and endangered species.

"By Water All Things Find Life"

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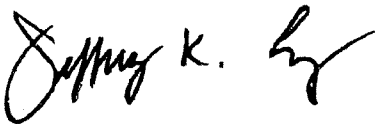


Honorable Marcus R. Oshiro
February 25, 2009
Page 2

In view of these crucial functions, the MDWS has maintained its funding levels in the face of other major budgeted cutbacks, including staff and operational budgets. Even with this continued funding, if state budgets are cut, these programs will suffer severe curtailment.

Healthy forests provide our most precious resource: clean fresh water. The loss of endangered native habitat reduces the ability of the forest to collect water and reduces the quality of the water through increased erosion, feral animal damage and invasive species. Please reconsider these cutbacks and direct them to something less crucial to the public trust function we serve.

Sincerely,



JEFFREY K. ENG
Director of Water Supply

tha

TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: CONVEYANCE, Suspend earmarking

BILL NUMBER: HB 1741

INTRODUCED BY: Say

BRIEF SUMMARY: Amends HRS section 247-7 to temporarily: (1) suspend the earmarking of 10% of conveyance tax revenues into the land conservation fund; (2) reduce the earmarking of conveyance tax revenue to the rental housing trust fund from 30% to 15%; and (3) reduce the earmarking of conveyance tax revenues to the natural area reserve fund from 25% to 15%, between July 1, 2009 and June 30, 2015. On July 1, 2015, all earmarking shall revert back to the amounts prior to the suspension.

EFFECTIVE DATE: July 1, 2009

STAFF COMMENTS: The proposed measure suspends or reduces the earmarking of conveyance tax revenues to the land conservation fund, the rental housing trust fund, and the natural area reserve fund. As a result of this suspension or reduction in earmarking, additional funds will be deposited into the general fund to address the state's budgetary shortfall.

This measure underscores the pitfalls of the earmarking of revenues. Revenues are automatically diverted and squirreled away without any legislative intervention. What should have been revenues of the general fund were redirected to fund programs that the legislature deemed "worthy." Earmarking also reduces flexibility in the use of available revenues which, no doubt, contributed to the current financial quagmire that is challenging state officials.

Rather than temporarily suspending or reducing the earmarking of conveyance tax revenues, all earmarking should be terminated and any program deemed "worthy" should be funded out of general fund appropriations thereby ensuring that there will be sufficient revenues to achieve the goals of that program, along with legislative oversight and accountability. By terminating the earmarking of various revenue resources, all the money will flow back to the general fund and then lawmakers can decide which programs or services are of highest priority and appropriate sufficient funds and then hold the managers or providers of these services or programs accountable as to the quality of the various public programs. With earmarking, there is no oversight and there is no accountability as the designated program or its manager just sit there as the money automatically flows to them.

Digested 2/25/09

THE
TRUST
for
PUBLIC
LAND



HAWAII

**THE TRUST FOR PUBLIC LAND'S TESTIMONY
IN OPPOSITION TO HOUSE BILL NO. 1741
House Committee on Finance
Thursday, February 26, 2009, 12:00 noon, Rm. 308
<http://www.capitol.hawaii.gov/emailtestimony>**

The Trust for Public Land's (TPL's) Hawaiian Islands Program was one of the many conservation organizations that supported the passage of the Legacy Lands Act in 2005, which established the Legacy Land Conservation Fund (LLCF). The Legislature created the LLCF with broad support from the conservation and affordable housing community, and by a vast majority of both the House and Senate. TPL opposes HB 1741 because: (1) the people of Hawai'i will lose millions of dollars of federal and private matching money for important agriculture, conservation, and cultural/heritage protection projects if the LLCF is suspended, (2) the LLCF will be automatically cut by 50-60% as a result in decreased conveyances, (3) the LLCF has protected lands with tremendous agricultural, conservation and cultural/heritage value, and (4) this is the worst time to suspend the LLCF -- land prices will go down and the public will forgo once-in-a-lifetime opportunities.

- **The State Will Lose Millions Of Federal Dollars If The Legacy Land Conservation Fund Is Suspended.**

The LLCF allows state, county, and non-profits to match millions of federal funds available for land conservation. If the LLCF is suspended, the State will lose millions of federal funds, and once-in-a-lifetime opportunities to save land that supports local agriculture, conserves water resources, and sustains our Hawaiian heritage.

In general, every dollar spent from the LLCF generates 2-3 additional dollars of federal and/or private money. For example, this year, the Legacy Land Commission approved \$982,956.50 for the Division of Forestry & Wildlife's acquisition of the Honouliuli Preserve. These funds will be matched by \$2,597,191 (secured) from the U.S. Army

Compatible Use Buffer Zone (ACUB) Program, \$627,809 (secured) from the U.S. Fish & Wildlife Service Recovery Land Acquisition Program, and \$92,043.50 (pending) from the City and County of Honolulu's Clean Water & Natural Lands Fund. Over 3,500 acres of land appraised at a fair market value of \$4.3 million will be placed in public hands at a total cost of only \$1,075,000 to State and County taxpayers (in other words, Hawai'i taxpayers will pay only 25% of the fair market value of the land). Protection of the Preserve also conserves important watershed that feeds O'ahu's main source of drinking water, secures habitat for many endemic threatened and endangered species found nowhere else in the world, and protects numerous cultural sites and landmarks.

TPL has completed 18 projects in Hawai'i that have protected over 36,000 acres of land. Hawai'i taxpayers have contributed approximately 30% or less of the fair market value in those transactions. The small amount in the LLCF allows the State, the counties, and non-profits, to leverage an additional 2-3 dollars of federal and/or private money for every LLCF dollar spent. For example, if the State LLCF money was not available for the Honouliuli Preserve project, over \$3.2 million in federal dollars would be lost -- in just a single project. Without the LLCF, the people of Hawai'i will lost millions of federal and private matching dollars.

- **Suspending The LLCF Is Unnecessary. It Will Be Cut By 50-60% As Conveyances Decrease.**

Suspending the LLCF is not necessary. Conveyances have decreased dramatically with the waning economy. The State estimates that the amount of money generated by the conveyance tax will decrease 50-60% this next fiscal year. The LLCF will automatically be cut by 50%-60% without the Legislature lifting a finger. This is a proportionately much larger cut than any other department or program.

- **The LLCF Has Conserved Important Lands With Tremendous Agricultural, Conservation, and Cultural/Heritage Value.**

The LLCF has conserved important lands with agricultural, conservation, and cultural/heritage value. For example, in January 2009, TPL assisted MA'O Farm in acquiring 11 acres of prime agricultural land in Wai'anae to support its organic farming operations, and its youth education and food sustainability programs for Wai'anae youth (MA'O is sending two dozen Wai'anae interns to Leeward Community College to receive their associate's degree). As described above, important watershed that feeds our drinking water aquifer will be protected by the Honouliuli Preserve project. With TPL's help, the State Parks Division is acquiring a privately owned coastal inholding within Lapakahi State Historical Park on Kohala, Hawai'i Island, preserving an important part of Hawai'i's pre-contact heritage. All of these projects were or are funded by the LLCF. Without the LLCF, these projects could not have occurred.

Small investments through the LLCF in agriculture, conservation, and our cultural heritage pay off over time. By protecting watershed land from development, government can avoid billions of dollars in operating expenses to treat contaminated

drinking water. By protecting agricultural land, we increase our isolated island chain's ability to feed itself, and generate our own energy. By protecting cultural/heritage lands, we sustain what makes us unique as a culture and as a world renowned destination. Visitors who stay here to appreciate the culture spend more and stay longer. The small investments made possible by the LLCF result in immeasurable economic and social returns.

- **The Public Will Lose Once-In-A-Lifetime Opportunities.**

A down economy is the worst time to suspend the LLCF. In a down economy, land values decline. There will be once-in-a-lifetime opportunities to secure important agriculture, conservation, and cultural/heritage lands in the next six years. But once the economy turns around, the value of these lands will rise and will be priced out of the conservation market. Every dollar left in the LLCF (even at a 50%-60% reduction) will be important in taking advantage of the "green lining" in the otherwise dismal economy. TPL

There is no doubt that the State faces serious financial times. However, the LLCF, the Natural Area Reserve Fund, and the Affordable Housing Rental Trust Fund will be automatically and disproportionately cut by 50-60%. There is no need to cut these programs further. We therefore oppose HB 1741, and request that the members of this Committee vote against this bill.

Mahalo for this opportunity to testify -



Lea Hong
Hawaiian Islands Program Director
524-8563 (office)
783-3653 (cell)



CATHOLIC CHARITIES HAWAII

TESTIMONY- OPPOSE - HB 1741: RELATING TO CONVEYANCE TAX

TO: **Representative Marcus Oshiro, Chair**, Representative Marilyn Lee,
Vice Chair, and Members, House Committee on Finance

FROM: Betty Lou Larson, Housing Programs Director, Catholic Charities Hawaii

HEARING: Thursday, February 26, 2009, 12:00 pm; CR 308

Chair Oshiro, Vice Chair Lee, and members of the Committee on Finance:

Thank you for the opportunity to provide written testimony on this housing bill. I am Betty Lou Larson, the Housing Programs Director at Catholic Charities Hawaii. We are also members of Partners in Care and Housing Hawaii. Catholic Charities Hawaii opposes this bill which would reduce the portion of the conveyance tax allocated to the Rental Housing Trust Fund to 15% from July 2009 to June 2015.

This reduction in the allocation to the Rental Housing Trust Fund (RHTF) would severely impact the ability of the State to produce any new affordable rental housing. The RHTF has a proven track record of utilizing all its funding to produce thousands of units of affordable rentals over the years. More funding is needed to address the additional need that will be coming as workers lose jobs or have hours reduced. The crisis in affordable rentals only gets worse each year since the production of new units still is well under the need.

Catholic Charities Hawaii gets hundreds of calls each month for information or help with housing. Families are facing loss of jobs and don't know where to turn. Neighborhoods are being flooded with more homeless persons. Churches and food banks are running out of resources for food. With the downturn in the economy, there is a need to put resources into the basics of life: shelter is the most basic necessity for the citizens of our state.

We urge you to support the needs of so many of Hawaii's citizens for affordable rentals. We urge your support for an increase in the allocation of the conveyance tax to the RHTF to a minimum of 50% instead of a reduction to 15%, as proposed in this bill.



2745 Pali Highway • Honolulu, Hawaii 96817 • Phone (808) 595-0077 • Fax (808) 595-0811

www.CatholicCharitiesHawaii.org





*Building
houses,
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hope*

**Testimony on HB1741: Relating to
Conveyance Tax
Committee on Finance
Conference Room 308, 2/26/09, 12 p.m.**

Hawaii Habitat for Humanity Association opposes this bill, which would temporarily reduce a portion of the conveyance tax that funds the rental housing trust fund.

During recessions affordable rental housing is needed more than ever as increasing numbers of people lose a portion of their income through cut backs in hours or loss of jobs. A slippage occurs where people who are higher up in the ladder have to down size and the people they displace move down the housing ladder to jobs and apartments which are below where they were. Ultimately the working poor find themselves displaced and many become homeless. It is vitally important that we not decrease construction of affordable housing at this time.

Additionally, housing is an economic engine which provides employment to laid off workers. The benefits of construction radiate throughout the community as the construction funds purchase materials and then those businesses buy more etc. Also employed workers are able to spend their income on necessities for their families, which filters through and supports the economy.

Please do not cut funding for the Rental Housing Trust Fund. With the help of this fund developers are doing what often seems impossible in Hawaii. They are building affordable rentals for the half of Hawaii's population that do not own homes.

In this economy affordable rentals are needed more than ever and the construction of these apartments provides jobs to construction workers, thus strengthening our economy.

A handwritten signature in black ink, appearing to read "Kathleen", written in a cursive style.

Kathleen Hasegawa
Executive Director
808-538-7676

Testimony on HB 1741

HOUSE OF REPRESENTATIVES

THE TWENTY-FIFTH LEGISLATURE

REGULAR SESSION OF 2009

Thursday, February 26, 2009

COMMITTEE ON FINANCE

Rep. Marcus R. Oshiro, Chair

Rep. Marilyn B. Lee, Vice Chair

IN OPPOSITION TO HB 1741 RELATING TO THE CONVEYANCE TAX

Dear Members of the Committee:

I am David Duffy, a professor of Botany at UH Manoa. For over twenty years I have studied the impact of invasive species on islands in the Pacific and around the world. For the last ten, I have run the Pacific Cooperative Studies which has helped deal with such species in Hawaii, as well as providing several hundred jobs in rural areas, as well as running the Emergency Work Force after 9-11.

I realize these are tough times and we need to make sacrifices but the projects supported by the conveyance tax will already be facing sharp cuts because income from the conveyance tax itself is going to be falling sharply these next few years. To diminish the proportion of this tax they receive will be a dangerous double whammy.

The housing fund, the Natural Areas Reserves, the Watershed Partnerships, and the Invasive Species Committees are part of what keeps Hawai`i, Hawai`i. Yes times look bad and maybe this coming year they may even get worse, but someday they will get better and then our grandchildren are going to ask us why they have to move to the mainland, because there are no affordable houses, why there is water rationing after our watersheds have failed, destroyed by invasive weeds and goats; why we have fire ants and biting midges, why the `ohia is no more. We can tell them we had to make sacrifices because of some stupid bankers back east, but they are going to tell us that they are the ones making the sacrifices and so is the aina. Forever.

There is only one Hawai'i and we don't get a do over. This tax fertilizes many of good things and leverages a wealth of private and federal money and effort. Come walk in our forests it protects and in the homes it has created. Respect the needs of the present but honor the future.

With Aloha,

David Cameron Duffy
Professor of Botany and Director
Pacific Cooperative Studies Unit
University of Hawai'i
3190 Maile Way St. John 410
Honolulu, HI 96822-2279

PO Box 369
Hanalei, HI 96714
808 826-9370

February 24, 2009

DATE:	Thursday, February 26, 2009
TIME:	12:00 p.m.
PLACE:	Conference Room 308 State Capitol 415 South Beretania

**TESTIMONY OPPOSING HB 1741 RELATING TO THE CONVEYANCE
TAX**

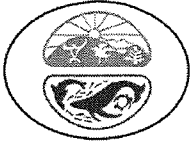
Representative Marcus R. Oshiro, Chair
and Committee Members
Finance Committee

I strongly urge a "NO" vote on House Bill 1741 which would severely reduce the distribution of conveyance tax monies to the Legacy Land and Natural Areas Reserves funds.

The public has greatly benefited from these programs: purchasing properties for the public benefit, and protecting our natural areas. The Legacy Lands funds are especially important during these economic times as many properties may become available for public use at greatly reduced prices.

Please do not pass this out of the Finance Committee.

Sincerely yours,
Barbara Robeson
Via email



Conservation Council for Hawai'i

Testimony Submitted to the House Committee on Finance

Hearing: Thursday, February 26, 2009

12:00 pm

Room 308

Opposition to HB 1741 Relating to the Conveyance Tax

Aloha. My name is Marjorie Ziegler, and I am testifying on behalf of the Conservation Council for Hawai'i and its 6,000 members.

We strongly oppose HB 1741, which suspends temporarily the distribution of a portion of the conveyance tax to the land conservation fund. These funds are already anticipating 50-60% cuts in state funding. These funds support essential programs for Hawai'i's people, including:

- purchase of open space for recreation, environmental, and other public purposes;
- protection of the Ceded Land reserves – the Natural Area Reserves System;
- management of essential watersheds that provide fresh drinking water, irrigation water, and species habitat;
- invasive species control;
- support for conservation partnerships with private landowners;
- regeneration of native forests and management of forest reserves; and
- support for the Youth Conservation Corps, our next generation of conservationists on the land.

These funds also leverage other private, local, state, and federal funding. Reducing the amount of conveyance tax dedicated to these funds may seem penny-wise at the moment, but it is pound-foolish in the long term.

Please do not eliminate the portion of the conveyance tax that goes to the Land Conservation Fund and do not reduce the percentage of conveyance tax that goes to the Natural Area Reserve Fund. Hold this bill in committee.

Mahalo for the opportunity to testify.



Working Today for the Nature of Tomorrow!

Telephone/Fax 808.593.0235 • email: info@conservahi.org • web: www.conservahi.org

P.O. Box 2923 • Honolulu, HI 96802 • Office: 230 Ward Ave., Suite 212 • Honolulu, HI 96814

Hawai'i Affiliate of the National Wildlife Federation

President: Julie Leialoha • Vice President: Nelson Ho • Secretary: Douglas Lamerson • Treasurer: Kim Ramos

Directors: Maura O'Connor • Melora Purell • George Robertson • Executive Director: Marjorie Ziegler



The House of Representatives
Committee on Finance
Thursday, February 26, 2009
12:00 p.m., Conference Room 308
State Capitol

Testimony in Opposition of HB 1741

Aloha Chair Oshiro, Vice Chair Lee, and Members of the Committee,

The Coordinating Group on Alien Pest Species (CGAPS) **is in opposition to HB 1741, Relating to the Conveyance Tax**, and submits the following information for consideration.

Legislation passed in 2005 provided much-needed additional funding for the Natural Area Reserve Fund (NARF) in the form of 25% of the conveyance tax. These state funds leverage additional funds (more than 1:1 from federal, county, and private sources) for the conservation of natural areas, natural resources and protection of public trust land. Much of this funding is spent in-state to support local jobs for local people and businesses, and the entire state benefits from the protection of Hawai'i's natural resources.

This past year, 25% of the conveyance tax equaled about \$6 million dollars for the NARF, due to the drop in real estate transactions. This will result in the loss of nearly 160 staff (of a total of 426 staff), and the environmental protection services they provide—even without the passage of this bill.

The passage of this bill would ensure that available funds are reduced to 10% of the conveyance tax over the next several years. The current recession is projected to extend at least into late next year, estate transactions may remain the same at the very best, and environmental protection programs are already facing more cuts as less state money is available for federal match. If HB 1741 passes and the economy remains the same, environmental protection programs will shut down. Hundreds more will lose their jobs, including Natural Area Reserve personnel, Invasive Species Committees on each island, the Watershed Partnerships, and many of Hawai'i's students will lose the opportunity to participate in the Hawai'i Youth Conservation Corps.

CGAPS respectfully requests that the legislature oppose HB 1741, which further impacts funds that are already under extreme economic duress. Mahalo for your consideration.

CGAPS--Coordinating Group on Alien Pest Species
Ph: (808) 722-0995



The Nature Conservancy
Hawai'i Program
923 Nu'uuanu Avenue
Honolulu, HI 96817

tel (808) 537-4508
fax (808) 545-2019
www.nature.org/hawaii

Testimony of The Nature Conservancy of Hawai'i
Opposing H.B. 1741 Relating to the Conveyance Tax
House Committee on Finance
February 26, 2009, 12:00PM, Room 308

The Nature Conservancy opposes H.B. 1741.

We appreciate that these are unprecedented times for our State budget and it is important to find ways to balance priorities and get our economy back on sound footing. However, the watershed protection, invasive species control, and land preservation programs that are supported by the DLNR's Natural Area Reserve (NAR) Fund and Land Conservation Fund are **already anticipating 50-60% cuts** in State funding—far more than anticipated by other State funded programs. These cuts are going to happen regardless of H.B. 1741 because the conveyance tax source of funding is drastically reduced with the down real estate market. The attached documents show declining conveyance tax revenues over the last few years, and the anticipated programmatic and staff cuts planned by NAR Fund beneficiaries.

The partnerships that receive money from the NAR Fund and manage our natural resources have already stopped filling open positions, are planning to lay off staff in the coming months, and have pulled back on protection efforts. Further cuts—like H.B. 1741—and the resulting loss of experienced staff will render many natural resource protection programs either inoperable or severely diminished, leaving our watersheds and communities vulnerable to threats which do not recognize recessions.

Under HRS §247-7, a portion of existing conveyance tax revenue has been appropriately used for land preservation and forested watershed conservation via the Land Conservation Fund and the Natural Area Reserve Fund, respectively. While the development and sale or other transfers of real estate can have very positive effects on the state's economy, it also poses some significant challenges. For example, fresh water is not a limitless resource that can forever be tapped to support developed real estate.

The source of fresh water is not the faucet, pipe, or even the well or stream it's drawn from. The real source is a system of healthy forested watersheds—not forests overrun by invasive plants and animals—that captures rain and cloud moisture and delivers it efficiently to aquifers and surface sources for subsequent consumption in our daily lives. We now know from the Waiahole contested case that the demand for fresh water on O'ahu will exceed supply by 2020. In recent years, enormous amounts have been invested in the development and sale of real estate, and there are plans for continued investment in development and construction to help lift our economy out of the current recession. Yet, we make a comparatively tiny investment in protecting the forested watersheds that provide the most basic resource to support that development—clean fresh water.

Significant belt tightening is necessary and occurring, but please don't cripple conservation in Hawai'i.

Attachments

BOARD OF TRUSTEES

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CONVEYANCE TAX COLLECTIONS & TRANSFERS FOR FY 2009

Month	Total Monthly Conveyance Tax Collections to General Fund - 100%	DLNR S-09-342-C NARS Trf In - 25%	DLNR S-09-317-C Land Conservation Trf In - 10%	HCDC T-09-930-B Rental Housing Trust Trf In - 30%	TAXATION G-00-000-C General Fund Balance Remaining - 35%
July	\$2,192,465.87	\$548,116.47	\$219,246.59	\$657,739.76	\$767,363.05
August	\$1,774,945.34	\$443,736.34	\$177,494.53	\$532,483.60	\$621,230.87
September	\$2,514,102.90	\$628,525.73	\$251,410.29	\$754,230.87	\$879,936.01
October	\$1,825,468.79	\$456,367.20	\$182,546.88	\$547,640.64	\$638,914.07
November	\$1,233,090.89	\$308,272.72	\$123,309.09	\$369,927.27	\$431,581.81
December					\$0.00
January					\$0.00
February					\$0.00
March					\$0.00
April					\$0.00
May					\$0.00
June					\$0.00
Grand Totals	\$9,540,073.79	\$2,385,018.46	\$954,007.38	\$2,862,022.14	\$3,339,025.81

TOTAL CONVEYANCE TAX COLLECTIONS

FY08	\$ 38,408,022
FY07	\$ 48,328,508
FY06	\$ 56,646,115
FY05	\$ 24,318,038
FY04	\$ 18,432,214

CONVEYANCE TAX COLLECTIONS & TRANSFERS FOR FY 2008

Month	Total Monthly Conveyance Tax Collections to General Fund - 100%	DLNR S-08-342-C NARS Trf In - 25%	DLNR S-08-317-C Land Conservation Trf In - 10%	HCDCH T-08-930-B Rental Housing Trust Trf In - 50%	TAXATION G-00-000-C General Fund Balance Remaining - 15%
July	\$2,213,212.44	\$553,303.11	\$221,321.25	\$1,106,606.22	\$331,981.86
August	\$3,025,234.70	\$756,308.68	\$302,523.47	\$1,512,617.35	\$453,785.20
September	\$4,492,022.48	\$1,123,005.62	\$449,202.25	\$2,246,011.24	\$673,803.37
October	\$3,573,776.52	\$893,444.13	\$357,377.65	\$1,786,888.26	\$536,066.48
November	\$2,959,259.75	\$739,814.94	\$295,925.98	\$1,479,629.88	\$443,888.95
December	\$3,079,131.57	\$769,782.89	\$307,913.16	\$1,539,565.79	\$461,869.73
January	\$3,478,274.45	\$869,568.61	\$347,827.45	\$1,739,137.23	\$521,741.16
February	\$1,871,282.33	\$467,820.58	\$187,128.23	\$935,641.17	\$280,692.35
March	\$2,952,992.29	\$738,248.07	\$295,299.23	\$1,476,496.15	\$442,948.84
April	\$4,051,020.17	\$1,012,755.04	\$405,102.02	\$2,025,510.09	\$607,653.02
May	\$2,860,587.29	\$715,146.82	\$286,058.73	\$1,430,293.65	\$429,088.09
June	\$3,851,227.53	\$962,806.88	\$385,122.75	\$1,925,613.77	\$577,684.13
Grand Totals	\$38,408,021.52	\$9,602,005.38	\$3,840,802.17	\$19,204,010.79	\$5,761,203.18

TOTAL CONVEYANCE TAX COLLECTIONS
 FY07 \$48,328,508
 FY06 \$56,646,115
 FY05 \$24,318,038
 FY04 \$18,432,214

PROGRAM	OBJECTIVE	TOTAL # OF STAFF	STAFF SUPPORTED BY STATE FUNDS	RESULTS OF ANTICIPATED 60% REDUCTION IN STATE FUNDS IN FY10
WATERSHED PARTNERSHIPS	The Hawaii Association of Watershed Partnerships (HAWP) is comprised of nine Watershed Partnerships on six islands. Watershed Partnerships are voluntary alliances of landowners and other partners working collaboratively to protect more than 1 million acres of forested watersheds for water recharge, conservation, and other ecosystem services.	67	43	<ul style="list-style-type: none"> • Layoff 24 Staff • Reduced weed/ungulate control activity • Only maintain current fences • Gains of prior years severely eroded • Loss of species, habitat and water recharge capacity • Increased exposure to fire • Decreased outreach • Increased cost to repair environmental degradation downstream and on reefs
NATURAL AREA PARTNERSHIP PROGRAM	The Natural Area Partnership Program was established in 1991 to provide state funds on a two-for-one basis with private funds for the management of private lands that are dedicated to conservation. With over 30,000 acres enrolled, this innovative program complements the protection efforts on state lands - a partnership essential for the success of conservation in Hawaii.	28	19	<ul style="list-style-type: none"> • Layoff 11 staff • Reduce forest management activity by 60% • Lose investment in staff training and expertise • Increased future costs to control identified invasive species • Feral pig damage will increase significantly causing degradation to native ecosystems, rare plants and watershed • Invasive weeds will significantly displace native ecosystems • Lose ground gained by removing ungulates from newly fenced area
NATURAL AREA RESERVES SYSTEM	The Natural Area Reserves System (NARS) was established in 1970 to preserve in perpetuity Hawaii's most unique ecosystems. There are currently 19 reserves on five islands, encompassing more than 109,000 acres. The diverse areas found in the NARS range from marine and coastal environments to lava flows, tropical rainforests, and an alpine desert. The reserves also protect major watershed areas, which are vital sources of fresh water.	39	39	<ul style="list-style-type: none"> • Layoff 8-13 staff • No ability to conduct necessary archaeological/cultural surveys or design services necessary for effective management of resources within the NARS • Reduced ability to maintain existing fences and special mgmt units, control priority weeds/ungulates, or outplant rare plants • Significantly reduced ability to coordinate volunteers and outreach • Reduced support/funding for educational/outreach programs • No ability to provide consistent presence and reduced ability to accomplish management priorities at ORMP areas: Kaena Point NAR and Ahihi Kinau NAR • Reduced ability to maintain and repair infrastructure such as fences, trails, roads, boardwalks, helpads, and management shelters.
YOUTH CONSERVATION CORPS	The Youth Conservation Corps (YCC) is a hands-on summer learning experience aimed at educating Hawaii's youth on the many conservation issues that threaten Hawaii's unique environment. Students are mentored by and work alongside some of Hawaii's premiere conservation leaders. Nearly 170 local youth participated in the 2008 summer program.	8	4	<ul style="list-style-type: none"> • Layoff 2 staff • Summer program will be reduced from 120 students to 58 • Summer program leaders will remain at 24 as they are funded by federal dollars, but for half of the managers. duties will change from mentoring youth to working as an intern for 7 weeks • Natural resources will suffer from less human assistance to mitigate for ungulates, invasives and other impacts

PROGRAM	OBJECTIVE	TOTAL # OF STAFF	STAFF SUPPORTED BY STATE FUNDS	RESULTS OF ANTICIPATED 60% REDUCTION IN STATE FUNDS IN FY10
FORESTRY/ FOREST STEWARDSHIP PROGRAM	<p>The Forest Stewardship Program (FSP), administered by the Department of Land and Natural Resources, Division of Forestry and Wildlife (DLNR-DOFAW), provides technical and financial assistance to owners of nonindustrial private forest land that are interested in conservation, restoration, and/or timber production.</p> <p>The Forestry Program manages 55 forest reserves comprising more than 640,000 acres, or 16% of Hawaii's land area. The program also provides financial incentives to agricultural landowners to convert fallow or open land to trees, shrubs, and forest habitat, conducts control and monitoring efforts in each county for existing and incipient invasive species, and coordinates T&E species management.</p>	17	12	<ul style="list-style-type: none"> • Layoff 4-6 staff • Limited ability to maintain existing fences and special management units, control priority weeds, or control ungulates • Decreased ability to mitigate known threats to federally endangered species, interruption of restoration and data collection projects • No new FSP projects. Two projects in development to be placed on hold • Limited ability to continue multi-year fence construction projects • Unmitigated degradation of existing road, trail and fencing infrastructure • Possible loss of federal funds due to lack of matching, including loss of up to 2.5 FTE state funded staff supporting these projects; more positions may be lost if federal grants are lost due to lack of funding • Erosion of existing rare plant restoration/ research projects, further loss of Hawaii's natural heritage due to extinction
INVASIVE SPECIES COMMITTEES	<p>The Invasive Species Committees (ISCs) are island-based partnerships of government agencies, NGOs, and private businesses working to protect each island from the most threatening invasive pests. The ISCs address the need for rapid response and control work on new invasive pests that have the ability to severely impact our economy, ecosystem, watersheds, human health, and quality of life. A driving objective of the ISCs is to control the most threatening pests while populations are still relatively small and it is economically feasible to control or eliminate them.</p>	64	29	<ul style="list-style-type: none"> • Layoff 19 staff • Increased future costs to control identified invasive species (e.g., estimated cost impacts from delaying miconia work on Maui range from \$22M-\$34M) • Inability to respond to new coqui reports resulting in island-wide infestations • Inability to assist with HDOA nursery surveys to prevent spread of Little Fire Ant, nettle caterpillars, and coqui frogs
HAWAII INVASIVE SPECIES COUNCIL	<p>The Hawaii Invasive Species Council (HISC) was established to provide policy level direction, coordination, and planning among state departments, federal agencies, and international and local initiatives for the control and eradication of harmful invasive species infestations throughout the State, and to prevent the introduction of other invasive species that may be potentially harmful.</p>	35	35	<ul style="list-style-type: none"> • Layoff 13 staff • Cease operation of SuperSucker, and lose 5-year investment in technology/research • Reduced capacity to conduct risk assessments for new plants • Lose ballast water management data collection • Reduced ability to conduct vessel hull inspections • Reduced capacity to respond to new pest incursions • Reduced community outreach • 50% reduction in West Nile Virus sample collection (mosquito traps, dead birds, bird sera), testing and detection

Programs Supported by the DLNR Natural Area Reserve Fund	FY09 State Funding	FY10 Expected 60% Reduction in State Funds	Staff Funded with State Funds	Expected Layoffs
HAWAII ASSOCIATION OF WATERSHED PARTNERSHIPS				
Kauai Watershed Alliance	\$294,190	\$117,676	5	5
Koolau Mountains Watershed Partnership	\$227,514	\$91,006	6	3
East Molokai Watershed Partnership	\$124,740	\$49,896	8	1
Lanai Forest & Watershed Partnership	\$75,000	\$30,000	0.5	0
W. Maui Mountains Watershed Partnership	\$217,500	\$87,000	5	4
E. Maui Watershed Partnership	\$441,900	\$176,760	5	4
Leeward Haleakala Watershed Restoration Partnership	\$343,830	\$137,532	6	4
Kohala Watershed Partnership	\$235,500	\$94,200	2	0
Three Mountain Alliance	\$448,320	\$179,328	6	3
HAWP Subtotal	\$2,408,494	\$963,398	43.5	24
NATURAL AREA PARTNERSHIP PROGRAM				
Waikamoi Preserve	\$220,000	\$88,000	4.5	4
Kapunakea Preserve	\$125,000	\$50,000	2.5	2.5
Kanepuu Preserve	\$16,667	\$6,667	0.5	0.5
Kamakou Preserve	\$218,737	\$87,495	3	0
Pelekunu Preserve	\$96,289	\$38,516	0.5	0.5
Moomomi Preserve	\$52,455	\$20,982	0.5	0
Kau Preserve	\$119,910	\$47,964	2.5	1
Puu Kukui Preserve	\$281,216	\$112,486	5	3
NAPP Subtotal	\$1,130,274	\$452,110	19	11.5
NATURAL AREA RESERVES SYSTEM				
Hawaii Island NARS			12	5
Maui Nui NARS			12	6
Oahu NARS	\$4,590,000	\$1,836,000	7	1
Kauai NARS			3	0
Statewide Administration			5	1
NARS Subtotal	\$4,590,000	\$1,836,000	39	13
YOUTH CONSERVATION CORP	\$474,588	\$189,835	4	2
FORESTRY / FOREST STEWARDSHIP				
Forest Stewardship	\$453,516	\$181,406	0.5	0
Watershed Management in Forest Reserves	\$1,000,000	\$400,000	1	0
Conservation Reserve Enhancement Program	\$300,000	\$120,000	1	0
DLNR Invasive Species Program Operations	\$244,898	\$97,959	4	0
T&E Species Management	\$400,000	\$160,000	5.5	5.5
FORESTRY / FS Subtotal	\$2,398,414	\$959,366	12	5.5
INVASIVE SPECIES COMMITTEE				
Big Island Invasive Species Committee (BIISC)	\$375,094	\$150,038	9	5
Kauai Invasive Species Committee (KISC)	\$374,249	\$149,700	6	4
Maui Invasive Species Committee (MISC)	\$430,700	\$172,280	7	4
Oahu Invasive Species Committee (OISC)	\$437,200	\$174,880	7	6
ISCs Subtotal	\$1,617,243	\$646,897	29	19
HAWAII INVASIVE SPECIES COUNCIL				
AIS / Hull Fouling	\$579,800	\$231,920	11.5	4.5
DOA / USDA	\$129,200	\$51,680	3	3
Bishop Museum	\$160,000	\$64,000	1	1
Invasive Species Research Grants	\$330,000	\$132,000	10	0
HISC Support	\$135,000	\$54,000	1.5	0.5
Weed Risk Assessment	\$97,700	\$39,080	2	1
Invasive Species Outreach	\$97,700	\$39,080	4	1
West Nile Virus Detection & Suppression	\$307,300	\$122,920	2	2
HISC Subtotal	\$1,836,700	\$734,680	35	13
GRAND TOTAL	\$14,455,713	\$5,782,285	182	88

Testimony of Miranda Smith
Master of Environmental Management: *Environmental Economics and Policy*, Duke University
Kailua, Oahu Resident
Opposing H.B. 1741 Relating to the Conveyance Tax
House Committee on Finance
February 26, 2009, 12:00PM, Room 308

I oppose H.B. 1741. This bill proposes to reduce the conveyance tax revenue to the Natural Area Reserve Fund (NARF). The NARF supports programs that are economically sound, culturally significant, and of great environmental importance.

A reduction in NARF funding means millions of dollars of lost revenue from matching Federal and private funds.

- In 2008, the Watershed Partnerships were allocated \$3.9 million dollars in NARF funds but brought in \$6,500,000 to Hawaii's economy to support jobs and local business contracts.

A reduction in funds means the loss of 171 local jobs.

- The NARF funding supports 179 local jobs. 97% of which could be cut if this bill succeeds. Those jobs are the core of a network of 256 people working for Hawaii to protect more than 1 million acres of natural areas that generate the drinking water for 1.3 million residents.

A reduction in funds means no effective resource protection today and no investment in the resources needed to sustain future generations.

- This funding protects more than 1 million acres of natural areas. A UH study estimated that 10% of that acreage is valued at \$7-14 billion dollars due to the resources and ecosystem services provided by those lands.
- A 2007 study of 56 countries, showed that a 10% loss of forest cover increases flood frequency by 4 to 28 percent. The December 2008 flood is estimated by FEMA to caused \$7.8 million dollars in damages. The NARF funds improve forest cover.
- Tourism revenues were at \$9 billion dollars in 2008. The NARF is a 1% investment in the resources that draw people to our beautiful islands.

Our resources and our economy are already under tremendous pressure. Past legislatures saw good reason to invest in Hawaii's natural and cultural resources. Over the years, these investments have become economically viable, as well. In tough times, these investments and the programs should be models not martyrs.



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February 24, 2009

The Honorable Marcus R. Oshiro, Chair
House Committee on Finance
State Capitol, Room 308
Honolulu, Hawaii 96813

RE: H.B. 1741, Relating to the Conveyance Tax

HEARING DATE: Thursday, February 26, 2009 at 12:00 p.m.

Aloha Chair Oshiro and members of the Committee on Finance.

I am Craig Hirai, a member of the Subcommittee on Taxation and Finance of the Government Affairs Committee of the Hawai'i Association of REALTORS® ("HAR"), here to testify on behalf of the HAR and its 9,600 members in Hawai'i. HAR **opposes** H.B. 1741, Relating to the Conveyance Tax, to the extent that it reduces temporarily the portion of the Conveyance Tax transmitted to the rental housing trust fund from 30% to 15%.

HAR has historically supported mechanisms to help increase the supply of low and moderate income affordable housing such as the Rental Housing Trust Fund Program, which can help integrate the use of mixed-income and mixed-use projects, special purpose revenue bonds, low-interest loans, block grants, low-income housing tax credit programs and deferred loan programs to provide rental housing opportunities.

The Rental Housing Trust Fund currently receives 30% of Conveyance Tax collections. The Rental Housing Trust Fund Program, coupled with federal and state low income housing tax credits, is the most productive of all government assistance programs. However, there is never enough money in the Rental Housing Trust Fund to satisfy the need for low-income rentals, and therefore, the allocation of Conveyance Tax collections to the Rental Housing Trust Fund should not be reduced to 15%.

HAR looks forward to working with our state lawmakers in building better communities by supporting quality growth, seeking sustainable economies and housing opportunities, embracing the cultural and environmental qualities we cherish, and protecting the rights of property owners.

Mahalo for the opportunity to testify.

A JOINT LEGISLATIVE EFFORT

E-Mail: FINtestimony@Capitol.hawaii.gov
Regarding: FINANCE Committee]
Hearing on: Feb. 26, 2009, 12:00 pm Conf. Room 308

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Date: February 25, 2009

To: **Representative Marcus Oshiro, Chair,**
Representative Marilyn Lee, Vice Chair, and Members,
House Committee on Finance

From: Dennis Arakaki, Executive Director
Hawaii Family Forum / Hawaii Catholic Conference

Re: OPPOSITION TO HB 1741: RELATING TO THE CONVEYANCE TAX

Honorable Chair Marcus Oshiro, Vice Chair Marilyn Lee, and members of the Finance Committee, I am Dennis Arakaki, **representing both the Hawaii Family Forum and the Roman Catholic Church in the State of Hawaii.**

Hawaii Family Forum is a non-profit, pro-family education organization committed to preserving and strengthening families in Hawaii. The Roman Catholic Church in Hawaii, under the leadership of Bishop Larry Silva, represents over 220,000 Catholics in Hawaii.

Hawai'i Family Forum and Hawaii Catholic Conference opposes this bill which would reduce the portion of the conveyance tax allocated to the Rental Housing Trust Fund to 15% from July 2009 to June 2015.

This reduction in the allocation to the Rental Housing Trust Fund (RHTF) would severely impact the ability of the State to produce any new affordable rental housing. The RHTF has a proven track record of utilizing all its funding to produce thousands of units of affordable rentals over the years. More funding is needed to address the additional need that will be coming as workers lose jobs or have hours reduced. The crisis in affordable rentals only gets worse each year since the production of new units still is well under the need.

Catholic Charities Hawai'i gets hundreds of calls each month for information or help with housing. Families are facing loss of jobs and don't know where to turn. Neighborhoods are being flooded with more homeless persons. Churches and food banks are running out of resources for food. With the downturn in the economy, there is a need to put resources into the basics of life: shelter is the most basic necessity for the citizens of our state.

We urge you to support the needs of so many of Hawaii's citizens for affordable rentals. We urge your support for an increase in the allocation of the conveyance tax to the RHTF to a minimum of 50% instead of a reduction to 15%, as proposed in this bill. I have been watching the RHTF ever since the Legislature initiated it. It is a much needed program in absence of Federal Public Housing. Mahalo!

hawaii family forum
6301 Pali Highway
Kaneohe, HI 96744-5224



Hawaii Catholic Conference
6301 Pali Highway
Kaneohe, HI 96744-5224



February 26, 2009

Honorable Marcus Oshiro, Chair
 And Members of the Finance Committee
 State House of Representatives
 Hawai'i State Capitol
 415 South Beretania Street; Room 306
 Honolulu, Hawai'i 96813

Dear Chair Oshiro and Members:

Subject: House Bill No. 1741 - Related to Conveyance Tax

CENTRAL OFFICE

Pioneer Plaza
 900 Fort Street Mall, Suite 1690
 Honolulu, Hawai'i 96813

Tel: (808) 550-0804
 Fax: (808) 550-0607
 E-mail: mhah@mutual-housing.org

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David M. Nakamura

The Mutual Housing Association of Hawai'i, Inc. ("Mutual Housing") opposes House Bill No. 1741 as it relates to the Rental Housing Trust Fund (RHTF). Reducing the percentage of conveyance tax revenues dedicated to the RHTF by half would have a devastating effect on the development of much-needed affordable rental housing statewide.

As Hawai'i faces an affordable housing crisis, we have seen our number of homeless growing, while even working families find it necessary to double-up with family or friends. New rental housing production has not kept pace with the loss over the years of affordable housing units through demolition, speculation, and conversion to for-sale units.

As an owner and developer of affordable rental housing, we can attest to the critical need for a permanent and dedicated source of funding to build new rental housing. The flexible funding provided by the Rental Housing Trust Fund allows developers to leverage other funding programs such as low-income housing tax credits, the HOME program, the Dwelling Unit Revolving Fund, tax-exempt bonds and conventional bank loans to make affordable projects financially feasible. Without the Rental Housing Trust Fund, future construction of affordable rental housing will be even more difficult, and Hawai'i will fall further behind in addressing its shortage of rental housing units for our families.

It will take years to develop the projects to meet all of the need in the state. The Rental Housing Trust Fund is a critical tool in helping organizations like Mutual Housing address our affordable rental shortage.

Thank you for the opportunity to provide this testimony.

Sincerely,

David M. Nakamura
 Executive Director





Hawai'i Conservation Alliance FOUNDATION

**Testimony of Hawai'i Conservation Alliance Foundation
Opposing H.B. 1741 Relating to the Conveyance Tax
House Committee on Finance
February 26, 2009, 12:00PM, Room 308**

The Hawai'i Conservation Alliance opposes H.B. 1741.

The task of balancing our State budget is a difficult one in the best of economic times, and even more challenging in times like these when all sectors are suffering from the economic downturn. While balancing the budget is a priority, so too is protecting those natural assets that are the foundation of Hawai'i's economy, culture, and high quality of life. H.B. 1741 proposes to suspend the distribution of a portion of the conveyance tax to the Land Conservation Fund for the next 6 years and temporarily reduce the portions of the conveyance tax distributed to the Natural Area Reserve Fund. These Funds already have lost revenue due to the downturn in the housing market, and proposed budget cuts already are on the table, leading to further, dramatic reductions. The additional reductions proposed in H.B. 1741 will cripple the essential programs these Funds support and likely nullify gains we have made in watershed restoration, invasive species control, and enhanced cultural and recreational opportunities.

These funds leverage other private, local, state, and federal funding, supporting vital public-private partnerships. Additionally, the burgeoning environmental restoration business sector provides training and employment for Hawai'i's youth and fosters a deeper appreciation for the natural assets of the island chain. The ecosystem services provided by healthy, functioning watersheds are incalculable, including production of clean, abundant water for drinking, farming, and recreating; a reduction in sediment that smothers our coral reefs and decimates our near-shore fisheries; and enhancement of native plant communities that are resistant to drought and provide a lower fire hazard. And while the social, cultural, and aesthetic values of Hawai'i's native ecosystems are not easily quantifiable, entire industries (such as tourism) are wholly dependent on their being sustained for current and future generations.

Reducing the amount of conveyance tax dedicated to these funds will not solve the State's budget deficit but it very well may be the death knell for vital natural resource programs. Please do not eliminate the portion of the conveyance tax that goes to the Land Conservation Fund and do not reduce the percentage of conveyance tax that goes to the Natural Area Reserve Fund.

MALAMA KAHALAWAI INC.

Caretakers for the West Maui Mountains Watershed

February 24, 2009

Aloha,

Malama Kahalawai, Inc. is a non-profit organization formed in 2001 whose mission is to support the West Maui Mountains Watershed Partnership (WMMWP). We oppose the proposed Bill HB1741 that would significantly cut the Natural Area Reserve Fund (NARF), and drastically reduce the funding to the watershed partnerships state-wide.

The West Maui Mountains Watershed Partnership has made incredible gains over the past 10+ years since its inception in 1998, protecting our unique flora and fauna, endangered species, places, plants and animals with significant Hawaiian cultural ties, as well as insuring a clean and productive source of fresh water for residents, agriculture, and businesses here on Maui.

The Partnership currently employs seven full time staff. Its budget is spent almost entirely locally, where it circulates within our economy. Most of it goes to other small, locally owned and operated businesses. Thus, the positive effects of allocations from the NARF to WMMWP are magnified considerably. Every effort is made to match state funding with other sources and has traditionally meant a doubling of its budget with monies from federal, county, and private sources.

We urge the Legislature to maintain the current level of funding from the conveyance tax to the NARF and its programs.

Thank you for your consideration,

Hank Oppenheimer
Secretary, Malama Kahalawai, Inc.



PARTNERS IN CARE

TESTIMONY- OPPOSE - HB 1741: RELATING TO CONVEYANCE TAX

TO: **Representative Marcus Oshiro, Chair**, Representative Marilyn Lee, Vice Chair, and Members, House Committee on Finance

FROM: Darlene W. Hein, Partners In Care

HEARING: Thursday, February 26, 2009, 12:00 pm; CR 308

Chair Oshiro, Vice Chair Lee, and members of the Committee on Finance:

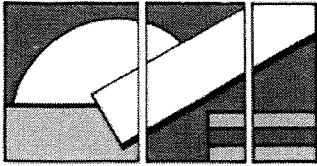
Thank you for the opportunity to provide written testimony on this housing bill. I am Darlene Hein, Advocacy Chair Partners In Care. Partners In Care opposes this bill which would reduce the portion of the conveyance tax allocated to the Rental Housing Trust Fund to 15% from July 2009 to June 2015.

This reduction in the allocation to the Rental Housing Trust Fund (RHTF) would severely impact the ability of the State to produce any new affordable rental housing. The RHTF has a proven track record of utilizing all its funding to produce thousands of units of affordable rentals over the years. More funding is needed to address the additional need that will be coming as workers lose jobs or have hours reduced. The crisis in affordable rentals only gets worse each year since the production of new units still is well under the need.

Partners In Care is a membership organization of providers of homeless services, concerned professionals, units of local and state government, consumers, and other community representatives located in the City and County of Honolulu. We are a coordinating body that develops recommendations for programs and services to fill gaps in the Continuum of Care on Oahu and provide direction in response to U.S. Department of Housing and Urban Development's Continuum of Care annual announcement for homeless assistance funds. We also assist in implementing new or expanded programs while preserving effective existing programs for individuals who are homeless and living on Oahu.

We urge you to support the needs of so many of Hawaii's citizens for affordable rentals. We urge your support for an increase in the allocation of the conveyance tax to the RHTF to a minimum of 50% instead of a reduction to 15%, as proposed in this bill.

PARTNERS IN CARE: Darlene Hein, Advocacy
Phone 791-9380, email dhein@waikihc.org



PACIFIC HOUSING ASSISTANCE CORPORATION

677 ALA MOANA BOULEVARD • SUITE 712 • HONOLULU, HAWAII 96813 • (808) 523-5681

**TESTIMONY ON H. B. 1741, RELATING TO THE CONVEYANCE TAX
Before the House Committee on Finance
February 26, 2009; 12:00 pm (Agenda #2); CONFERENCE ROOM 308
Submitted By: Marvin Awaya, Executive Director**

The Pacific Housing Assistance Corporation, a Hawaii non-profit corporation, opposes H.B. 1741 as it relates to the Rental Housing Trust Fund (RHTF).

Reducing the percentage of conveyance tax revenues dedicated to the RHTF from 30% to 15% would have a devastating effect on the development of critically needed affordable rental housing statewide. The RHTF is an important financing tool to fill financing "gaps" when leveraging housing development funds. This reduction will be further amplified because conveyances taxes for the last quarter of 2008 and into the foreseeable future are and will be reduced due to sluggish home sales.

The development and construction of rental housing not only helps seniors and lower income families but our economy by providing jobs to construction workers and all those who support the industry. Continued and increased funding of RHTF is part of the "secondary" economic stimulus needed to bring Hawaii out of the recession.

We urge that the set-aside of the conveyance tax to the Hawaii Rental Housing Trust Fund remain at 30% and be increased to 50% after 2015.



NATIONAL TROPICAL BOTANICAL GARDEN

Chartered by Congress to Create a National Resource in Conservation, Research, and Education

Committee: House Committee on Finance

Hearing: Thurs. Feb. 26, 2009, 12:00PM, Room 308

Measure: House Bill 1741

While we all acknowledge the dire state of our economy and the unprecedented actions that will have to be made the National Tropical Botanical Garden respectfully opposes HB 1741, which suspends temporarily the distribution of a portion of the conveyance tax to the land conservation fund, and reduces conveyance tax funding to the Natural Area Reserve Fund and Rental Housing Trust Fund. The Land Conservation Fund and Natural Area Reserve Fund are already anticipating 50-60% cuts in state funding. All of these funds support essential programs for Hawai'i's people and need to be perpetuate even in this time of crisis. These programs currently include:

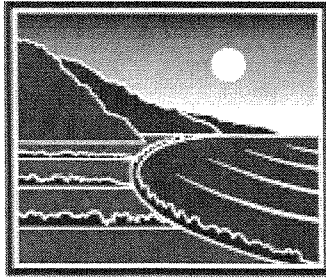
- purchase of land for recreation, environmental, mauka and makai access, and other public purposes
- protection of the Ceded Land reserves – the Natural Area Reserves System
- management of essential watersheds that provide fresh drinking water, irrigation water, and species habitat
- invasive species control
- support for conservation partnerships with private landowners
- regeneration of native forests and management of forest reserves
- support for the Youth Conservation Corps, our next generation of conservationists on the land
- development of affordable rental housing

These funds leverage other private, local, state, and federal funding. Reducing the amount of conveyance tax dedicated to these funds is penny-wise, but pound-foolish. Please do not eliminate the portion of the conveyance tax that goes to the Land Conservation Fund and do not reduce the percentage of conveyance tax that goes to the Natural Area Reserve Fund and the Rental Housing Trust Fund. We ask that you hold this bill in committee so that it will not progress any further.

Mahalo for the opportunity to testify.

Aloha,

Chipper Wichman
Director and CEO



NORTH SHORE
COMMUNITY
LAND TRUST

**NORTH SHORE COMMUNITY LAND TRUST'S TESTIMONY
IN OPPOSITION TO HOUSE BILL NO. 1741
House Committee on Finance - Thursday, February 26, 2009, Rm. 308**

Please oppose HB 1741. The Legislature created the LLCF with broad support from the conservation and affordable housing community, and by a vast majority of both the House and Senate. NSCLT opposes HB 1741 because: (1) the people of Hawai'i will lose millions of dollars of federal and private matching money for important agriculture, conservation, and cultural/heritage protection projects if the LLCF is suspended, (2) the LLCF will be automatically cut by 50-60% as a result in decreased conveyances, and (3) this is the worst time to suspend the LLCF -- land prices are going down and the public will forgo once-in-a-lifetime opportunities.

1. The State Will Lose Millions Of Federal Dollars if the LLCF Is Suspended.

The LLCF allows state, county, and non-profits to match millions of federal funds available for land conservation. If the LLCF is suspended, the State will lose millions of federal funds, and once-in-a-lifetime opportunities to save land that supports local agriculture, conserves water resources, and sustains our Hawaiian heritage.

2. Suspending The LLCF Is Unnecessary. It Will Be Cut As Conveyances Decrease.

Suspending the LLCF is not necessary. Conveyances have decreased dramatically with the waning economy. The State estimates that the amount of money generated by the conveyance tax will decrease 50-60% this next fiscal year. The LLCF will automatically be cut by 50% more without the Legislative action. This is a proportionately much larger cut than any other department or program.

3. The Public Will Lose Once-In-A-Lifetime Opportunities.

A down economy is the worst time to suspend the LLCF. In a down economy, land values decline. There will be once-in-a-lifetime opportunities to secure important agriculture, conservation, and cultural/heritage lands in the next six years.

Thank you very much.
Sincerely,

Blake McElheny
North Shore Community Land Trust
Hale'iwa, HI 96712



HALEAKALA RANCH
• EST. MAUI 1888 •

Testimony of Haleakala Ranch Company
Opposing H.B. 1741 Relating to the Conveyance Tax
House Committee on Finance
February 26, 2009, 12:00pm, Room 308

Haleakala Ranch Company opposes H.B. 1741.

The passage of this bill will have an extremely adverse impact on programs critical to the management of watersheds and associated productive agricultural lands. In addition to the constrictions contemplated by this bill, other funding cuts have caused the statewide watershed management partnerships to make programmatic and staffing reductions that will severely compromise the future integrity of watersheds and the productivity of adjacent agricultural lands.

In Hawaii's environment, watershed and critical area management is not a process that can be suspended and re-engaged with an expectation of satisfactory results -- our unique threats of feral ungulate and invasive plant proliferation are entrenched and progressive. Loss of existing and planned programs will, even for the shortest period of time, create compounded impacts that will prove to be extremely difficult, if not impossible, to mitigate in the future.

In these trying economic times, it is obvious that cuts will have to be made. As a company with a long history of stewardship and an active involvement in land management, we implore you to consider the protection of our natural resource assets as fundamentally important and reject this proposal.

Sincerely,

J. Scott Meidell
Vice President
Land and Resource Manager

cc: Mr. Don Young, President, Haleakala Ranch Company

February 25, 2009

TO: Representative Marcus K. Oshiro, Chair
House Committee on Finance

From: Sheila Conant, Ph. D., Professor
Department of Zoology
University of Hawaii at Mānoa

RE: Testimony opposed to HB 1741

I am providing this testimony to strongly oppose HB 1741, which would suspend conveyance tax funding to the Legacy Land Fund (LCF) and would dramatically reduce Natural Areas Reserve Funds (NARF).

The visitor industry is the most important sector of Hawaii's economy. People visit us because our beaches and oceans are free of pollution, our water is pure and abundant, our ecosystems support a great diversity of unique plants and animals. Protection of our natural resources, specifically the health and well being of our environment should be foremost in the minds of our lawmakers today. This Bill will cause substantial damage our fragile economy.

The NARF funds more than just the State's Natural Areas Reserves. It provides the major source of funding for:

- the Invasive Species Committees on all islands (fighting coqui frogs, fire ants, honey bee parasites, etc.)
- the multi-partner Watershed Partnerships that have done an astounding job of protecting and rehabilitating critical watershed areas and native species habitats, both of which are crucial to the health and wellbeing of the environment AND of the citizens and visitors in it (the value of watershed speaks for itself)
- the Youth Conservation Corps which recruits and trains the upcoming generation of leaders to take on the daunting task of protecting our increasingly threatened natural resources.

The NARF provides a means by which all of these programs can bring in substantially greater funding from Federal Resource Agencies, foundations, and corporate partnerships that require matching funds. Without the NARF funds, much of the funding from these sources will no longer be available.

The LCF, born of the Legacy Land Act in 2005, has already allocated funding for the permanent protection of over 6,500 acres of land by local jurisdictions and conservation nonprofit organizations.

Through leverage of funds from county open space programs, federal resource agency grants, bargain sales from landowners, and donations from foundations and private donors, the \$ 14.1 million provided by the LCF in the first three years translates into almost \$44 million of protected value of agricultural, native habitat, cultural, and watershed lands.

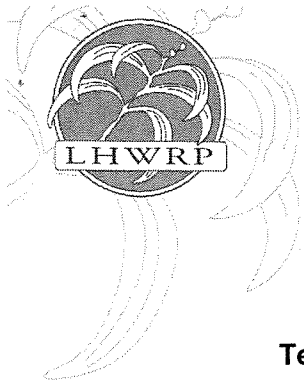
Both the LCF and the NARF have already been severely depleted by the drop in Conveyance Tax revenue that began in 2008. Additional cuts in funding will lead to additional economic and financial damage from which it may not be possible to recover.

I have served on the Natural Area Reserve Commission for many years, including a term in the late 1970s, when the program's entire staff consisted of an Executive Secretary and one biologist. For years little or nothing was accomplished. As support grew, albeit slowly, the System was able to actively manage its protected areas. The Legacy Act has provided a recent means by which lands can be protected and managed for the good of Hawaii's people through watershed partnerships that involve private land owners, state and federal agencies and NGOs. The loss of these funds would be a devastating blow to cooperative natural resource management strategies that are a model the rest of the U.S. emulates.

Please do not approve HB 1741.

Mahalo and Aloha.

Sheila Conant, Ph. D.
3663 Alani Drive
Honolulu, HI 96822
conant@hawaii.edu



**Testimony of The Leeward Haleakalā Watershed Restoration Partnership
Opposing H.B. 1741 Relating to the Conveyance Tax
House Committee on Finance
February 26, 2009, 12:00PM, Room 308**

February 24, 2009

The Leeward Haleakalā Watershed Restoration Partnership (LHWRP) opposes H.B. 1741

Management of Maui's natural capital is being conducted at quite reasonable expenses. Short-term attempts to save money will jeopardize all earlier spending, and with it, resources that cannot be reclaimed. Recent evidence has shown that watershed forests dominated by non-native species make poor watersheds, yielding less and less pure water and supporting less species diversity than do native forests.

This bill severely jeopardizes the dedicated work of local people working to conserve local natural resources - our invaluable, essential, functioning native watershed forests. Any reduction in this will have jeopardized one of Hawaii's greatest and most economically important treasures: native watershed forests.

Since the partnership began, LHWRP has planted 51,062 native seedlings on 120 community work trips. This gets updated every three weeks, and trips are now achieving an average of 1000 plants planted per volunteer trip due to honing our restoration techniques. We have also enabled 2,654 volunteers and community members to participate in meaningful native forest restoration, achieving 20,039 volunteer hours contributed. This also gets updated after each trip. Our trips are always sold out, with waiting lists. In addition to the public trips we average two private trips per month with Hawaiian students, other school groups, and special interest groups.

We have also cleared over 2500 acres of priority invasive tree species from southern Haleakala. These species include bocconia, Christmas berry, and silk oak.

We have six demonstration exclosures across Haleakala's leeward slope where we are further developing regional restoration techniques.

We have 3 miles of fenceline completed in Nu'u, with an additional approximate 9 miles of fence routes prepared in Kahikinui that will protect the last intact koa forests on southern Haleakala.

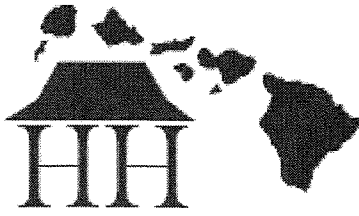
We have conducted biological surveys in Kahikinui, Nu'u, and Auwahi.

We have 755 acres of native dryland and koa forest protected in exclosures, with active restoration and management taking place, with another 200 planned for 2009-10.

We have monitored the effects the Erythrina Gall Wasp has had on *Erythrina sandwicensis* by conducting surveys and collecting insect samples monthly.

We leverage hundreds of thousands of dollars in funds from granting organizations and agencies. We support plant nurseries, fencing suppliers, fence contractors, bulldozer operators, and countless other local companies and agencies. We employ five local people, working very hard for what they believe in, and doing it very efficiently.

Please do not pass bill 1741! It will do irreparable damage to our natural resources and our communities!



Housing Hawaii

Advocating Creating Maintaining Affordable Housing

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Pacific

February 26, 2009

The Honorable Marcus Oshiro, Chair
House Committee on Finance
Hawaii State Capitol, Room 308
Honolulu, HI 96813

Dear Chair Oshiro and Members:

RE: HB 1741, RELATING TO THE CONVEYANCE TAX

I am Nani Medeiros, Executive Director of Housing Hawaii, testifying on House Bill 1741, Relating to the Conveyance Tax. This bill reduces the amount of conveyance tax revenues deposited into the rental housing trust fund.

Housing Hawaii is opposed to this bill.

In 2006, the Hawaii State Legislature increased the amount of conveyance tax proceeds deposited into the Rental Housing Trust Fund to 50 per cent of revenues collected. In July 2008, the law reverted back to the original language which sets aside only 30 per cent of revenues for deposit into the trust fund. The allocation of conveyance tax proceeds to the RHTF provides predictability for the State and developers when it comes to planned affordable housing projects. Dedicated funding for affordable housing is a critical element in our fight against homelessness. Other jurisdictions and states have used a number of dedicated funding sources include: GET revenue collections on residential rents, real estate and property taxes, or surcharges investor and speculative purchases. This bill moves Hawaii in the wrong direction and will drive down developer and investor interest in affordable housing.

Rather than reducing the only dedicated funding source for the state rental housing development program at a time when both the state and counties are looking to saturate the construction industry with projects, the legislature should be increasing the funding for affordable rental housing. This provides jobs for our construction workers, and affordable rentals to the masses we have here in need.

Thank you for the opportunity to testify.

Nani Medeiros
Executive Director

Executive Director

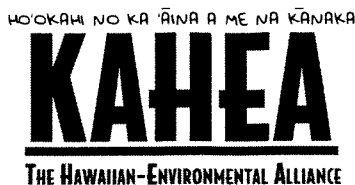
Nani Medeiros

Housing Hawaii, 841 Bishop Street, Suite 2208, Honolulu, HI 96813

Phone: 808-469-7774

Email: housinghawaii@hawaii.rr.com

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877.585.2432 toll-free ph/fx

Mailing Address
P.O. Box 37368
Honolulu, HI 96837

www.KAHEA.org
kahea-alliance@hawaii.rr.com

**H.B. 1741 NARS Fund
Room 308, 12:00 pm
February 26, 2009**

Aloha Chairperson Oshiro and members of the House Committee on Finance,

KAHEA strongly opposes HB1741, which seeks to take money from the Natural Area Reserve System and Rental Housing Special Fund. Reducing these funds threatens to undermine the health of Hawaii's natural and cultural resources – like our fisheries and forests – while making it harder for our most vulnerable community members to find affordable housing.

KAHEA is a network of over 6,000 people representing kūpuna, cultural practitioners, scientists, educators, and concerned citizens working to protect Hawai'i's unique natural and cultural resources. We were part of the original hui of conservation and housing advocates that helped to establish this fund.

As result of our efforts, Hawai'i's people have benefited from reliable funding for essential programs, like:

- purchase of land to protect recreation, mauka and makai access, and other public purposes
- protection of the Ceded Land reserves – the Natural Area Reserves System
- management of essential watersheds, providing irrigation and fresh drinking water, and habitat
- control of invasive species
- support for conservation partnerships with private landowners
- regeneration of native forests and management of forest reserves
- support for the Youth Conservation Corps, our next generation of conservationists on the land
- development of affordable rental housing

These funds are crucial in order to leverage other private, local, state, and federal funding for these important programs. Unfortunately, the Land Conservation Fund and Natural Area Reserve Fund are already anticipating a 50-60% reduction in state funding. To reduce funding any further would completely undermine these programs and leave Hawaii vulnerable to threats from invasive species, at risk of losing important watershed environments, and burdened with greater homelessness. For many of Hawaii's residents who rely on sustenance practices to supplement their weekly grocery needs, such risks will have long lasting implications far more expensive than any savings to the general fund.

Please do not eliminate the portion of the conveyance tax that goes to the Natural Area Reserve Fund and the Rental Housing Trust Fund. This bill should not progress beyond this committee.

Mahalo,

Marti Townsend
Program Director

HOUSE COMMITTEE ON FINANCE

February 26, 2009, 12pm

TESTIMONY IN OPPOSITION OF HB 1741

Chair Oshiro, Vice Chair Lee, and members of the Committee:

I firmly oppose House Bill 1741 because it temporarily suspends the distribution of a portion of the conveyance tax to the land conservation fund and reduces conveyance tax funding to the Natural Area Reserve Fund and Rental Housing Trust Fund. The Land Conservation Fund and Natural Area Reserve Fund are currently anticipating a 50-60% cut in their state funding.

HB 1741 threatens the existence of programs that are highly valued by Hawaii's people, essential to the health of our environment, and critical to the preservation of Hawaii's precious biodiversity. These programs include:

- purchase of land for recreation, environmental, mauka and makai access, and other public purposes
- protection of the Ceded Land reserves – the Natural Area Reserves System
- management of essential watersheds that provide fresh drinking water, irrigation water, and species habitat
- invasive species control
- support for conservation partnerships with private landowners
- regeneration of native forests and management of forest reserves
- support for the Youth Conservation Corps, our next generation of conservationists on the land
- development of affordable rental housing

Reducing the amount of conveyance tax dedicated to these funds is penny-wise, but pound-foolish. Please do not let this bill destroy these wonderful programs that so many people worked so hard to establish.

Mahalo for considering my testimony.

Sincerely,

Mele Coleman

melecoleman@gmail.com

(808) 285-8581

TESTIMONY OPPOSING HB1741:

I strongly oppose HB 1741, which suspends the distribution of a portion of the conveyance tax to the land conservation fund, and reduces conveyance tax funding to the Natural Area Reserve Fund and Rental Housing Trust Fund.

The Land Conservation Fund and Natural Area Reserve Fund are already anticipating 50-70% cuts in state funding due to declines in the conveyance tax. If this bill passes, the cuts become 80-90% cuts. All of these funds support essential programs for Hawaii's people, including:

- Purchase of land for recreation, native ecosystem protection, public land access easements, and other public purposes
- Management of the Natural Area Reserves System
- Management of essential watersheds that provide fresh drinking water, irrigation water, and species habitat
- Invasive species control
- Support for conservation partnerships with private landowners
- Regeneration of native forests and management of forest reserves
- Support for the Youth Conservation Corps
- Development of affordable rental housing

These funds leverage other private, local, state, and federal funding. Reducing the amount of conveyance tax dedicated to these funds would, for all intents and purposes, kill important programs that have been years in development, including the Invasive Species Committees, Watershed Partnership Program and Youth Conservation Corps. All these programs leverage federal funds, making them an excellent economic investment for the state. Eliminating them will eliminate jobs and federal funds leveraged up to 3:1, for a net loss of funding to the state coffers.

The Land Legacy Fund should not be frozen. The State has used this to purchase many important properties including Moanalua Valley, Hamakua Marsh Wildlife Sanctuary (mauka watershed lands), Honouliuli Forest Reserve and many other significant properties. The Moanalua and Hamakua were leveraged 60% federal to 40% state funds. The final Honouliuli settlement, when complete, will be 10% state, 90% federal/local/private, a tremendous return on investment. Protecting this fund is a net economic gain for the State of Hawaii.

Please do not eliminate the portion of the conveyance tax that goes to the Land Conservation Fund and do not reduce the percentage of conveyance tax that goes to the Natural Area Reserve Fund and the Rental Housing Trust Fund. Hold this bill in committee.

Mahalo,

David G. Smith

Jesse Owens
1350 Ala Moana Blvd, Apt 1209
Honolulu, HI 96814

February 24, 2009

Subject: Opposition of HB 1741

Dear House Committee on Finance,

I am strongly opposed to HB 1741 because I believe the protection given to our natural ecosystems by the Natural Area Reserve Special Fund is essential to protecting Hawaii's watersheds, natural beauty, and unique endangered species.

I have lived in Hawaii all my life and have been concerned about the degradation of our forests and coastal areas by the continuous introduction of invasive species such as miconia, coqui frogs, as well as past introductions such as feral pigs, goats, and mouflon. Hundreds of years of resource use and abuse has resulted in countless extinctions of our native Hawaiian species, and decimated our watersheds, and caused sedimentation of our reefs. However, the programs funded by the Natural Area Reserve Special Fund are the State's main ways to reverse those hundreds of years of degradation, and protect the forests and natural areas that we depend on so much. If the Legislature raids this Special Fund via HB 1741, it will be a huge step back from the years of investment in our natural environment, at the expense of our current and future generations of Hawaii which depend on these natural systems.

Funds from the conveyance tax used for the Natural Area Reserve Special Fund as well as the Land Conservation Fund are also sources of federal, private, and county match. Reducing or eliminating these funds will result in the loss of investment from other sources, oftentimes double or triple the amount invested by the State. Every dollar taken from these funds is a lost opportunity for other investment.

Additionally, these funds have already been reduced almost 60% for FY 10 due to plummeting conveyance tax revenues. Reducing the percentage distributed to these funds will exacerbate the deep cuts already being taken to programs such as the Watershed Partnerships, Invasive Species Councils, Legacy Lands Conservation Fund, Natural Area Reserves System, Forest Stewardship Program, Conservation Reserve Enhancement Program, Natural Area Partnership Program, and funding for Forest Reserves management.

More directly, these cuts will not allow Hawaii's land managers to maintain the work done previously to protect our ecosystems, or do the additional work that is needed to prevent the extinction of native species, erosion reduction, carbon sequestration, and invasive species control.

Please support the environment of Hawaii by opposing HB 1741.

Aloha

HOUSE OF REPRESENTATIVES
COMMITTEE ON FINANCE

RE: HB 1741

February 26, 2009, 12:00 PM

State Capitol Room 308

I OPPOSE this bill.

This bill's premises are flawed and the priority it reflects is twisted. First, it presumes no other source of funding exists to pay for budget shortfalls caused by our sagging economy. The most obvious place to turn is the massive amounts of funding appropriated to the Hawai'i Tourism Authority, whose spending is not only wasteful because it will not make any significant difference in tourism arrivals, but whose accountability is also seriously in question, as evidenced by the latest audit of its operations. The Legislature has given a blank check to the HTA for failing to even demonstrate that such spending on promotion results in the desired boost in tourism spending it purports to bring to Hawai'i. The Legislature needs to demand an objective econometric analysis to determine whether there is any significant statistical correlation between such promotion spending and desired economic outcomes as a result.

Secondly, for the tens of millions spent each year on the blind belief that such promotion is effective, the people of Hawai'i deserve this statistical analysis to justify such massive spending, especially during times like these, when other higher priority programs need to be supported. The state has constitutionally guaranteed programs that are being cut while the HTA enjoys a free pass. When is any legislator going to publicly question this massive waste of spending in such times of need as now? At the very minimum, analysis should trump presumption. Please put the unconscionable spending on tourism promotion with public funding in the bright light of economic analysis and bare it publicly. In the spirit of the new Obama administration, please let facts matter.

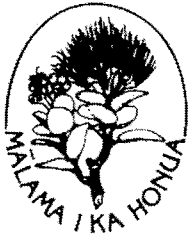
The Legacy Land Fund needs to be preserved, not eroded in times like these, when land prices will be relatively low. We should target such lands as much as possible, not cripple the means to acquire them. Our long-term view of the public interest should outweigh the policy choice to increase our reliance on an industry that has repeatedly shown makes Hawai'i vulnerable to forces beyond its control. Our stated policy direction is to enhance the state's self-sufficiency, not decrease it. The Fund has already demonstrated its long-term value to the public. Some of its acquisitions will lay the foundation of preserving some of the best investments in social capital the state has embraced. For example, the acquisition of 11 acres to support expansion of Ma'ō Farms will support one of the best programs to enhance the economic and social opportunities available to youth in potential distress,

especially Hawaiian young adults looking for educational opportunities grounded in culture. That kind of investment is the kind of long-term thinking and action that will pay huge dividends in the future – far more than dubious tourism promotion will have on a market that has no financial means of responding positively to any promotion message.

For all of the above reasons, I ask you to kill this bill and focus your attention on the 800-pound gorilla in the room, the HTA. If we don't insist on accountability from this major source of spending, the Legislature is committing an onerous breach of its trust duty to the general public and all the programs needing attention because of the directions we've set as a people in the constitution. The HTA is not in that orbit of programs. Until you drastically cut or eliminate funding for this white elephant program, you shouldn't be touching valuable programs like the Legacy Land Fund which deserve enhanced protection under the constitution.

Please remember your oath of office.

Alan T. Murakami
Native Hawaiian Legal Corporation
1164 Bishop St. #1205
Honolulu, HI 96813



SIERRA CLUB

HAWAI'I CHAPTER

P.O. Box 2577, Honolulu, HI 96803

808.538.6616 / hawaii.chapter@sierraclub.org

HOUSE COMMITTEE ON FINANCE

February 26, 2009, 12:00 P.M.

(Testimony is 2 pages long)

TESTIMONY IN STRONG OPPOSITION TO HB 1741

Chair Oshiro and members of the Committee:

The Sierra Club, Hawai'i Chapter, with over 5500 dues paying members statewide, strongly opposes HB 1741. In 2005, this Legislature passed historic, conservation legislation, establishing a dedicated source of funding for 1) critical conservation land acquisitions, 2) supporting the State Natural Area Reserve System, and 3) enhancing the State's forest and watershed management programs. HB 1741, however, proposes to take a dramatic step backwards and eliminate or reduce critically needed funding for these programs.

We understand the State's need to tighten the belt. Not all budget cuts are equal, however. As a result of the economic downturn, the NAR and Land Conservation Fund are already anticipating 50-60% cut in State funding. This impact -- separate and apart from what is being considered today -- seriously reduces the effectiveness of ongoing programs, staff retention, and federal matching funds.

Hawai'i has always placed a high premium on protecting our natural areas. For example, Article XI of the Hawai'i State Constitution directs that "For the benefit of present and future generations, the State and its political subdivisions shall conserve and protect Hawai'i's natural beauty and all natural resources, including land, water, air, minerals and energy sources, and shall promote the development and utilization of these resources in a manner consistent with their conservation and in furtherance of the self-sufficiency of the State"

In 2005, this legislature concluded that the coastal, cultural, and watershed lands were being impinged by continued population growth and development in Hawai'i. Wisely, this Legislature found a clear nexus between the conveyance tax and protecting natural areas. Some real estate transfers involve a loss of open space, or the construction of roads, or the expansion of visitor infrastructure. Funding for the acquisition and protection of wild areas offset those impacts—thus ensuring natural, undeveloped areas for future generations to experience in furtherance of our constitutional directive.

HB 1741 would take a tremendous step backwards in our protection of natural areas. Disconnecting the tie between development and wilderness protection -- particularly when the programs protecting our native habitat are already experiencing strong budgetary reductions -- would cripple conservation efforts. This adversely impacts efforts to protect federally endangered plants and animals and our long-term supply of drinking water.

HB 1741 will also have a significant, adverse economic impact. A majority of the money invested in the NAR program is matched with federal or private funds. Without the state funding, these matching funds will no longer enter the state. This will result in further termination of specialized employees, thus increasing the state unemployment level and creating the possibility these position will not be filled with qualified individuals in the future.

HB 1741 proposes to eliminate the proverbial "ounce of prevention." Please don't leave it to future legislators to pay for a pound of cure.

Please hold HB 1741. Thank you for the opportunity to testify.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 3:16 PM
To: FINTestimony
Cc: cdb@hawaii.edu
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

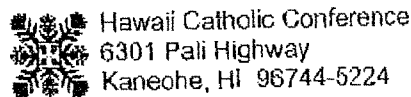
Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Dusti Becker
Organization: Individual
Address: 2465 Olinda Rd. Makawao, HI
Phone: 573-0280
E-mail: cdb@hawaii.edu
Submitted on: 2/25/2009

Comments:

I strongly oppose HB 1741, which suspends temporarily the distribution of a portion of the conveyance tax to the land conservation fund, and reduces conveyance tax funding to the Natural Area Reserve Fund and Rental Housing Trust Fund. The Land Conservation Fund and Natural Area Reserve Fund are already anticipating 50-60% cuts in state funding. All of these funds support essential programs for Hawai'i's people, including:

- purchase of land for recreation, environmental, mauka and makai access, and other public purposes
- * protection of the Ceded Land reserves - the Natural Area Reserves System
- * management of essential watersheds that provide fresh drinking water, irrigation water, and species habitat
- * invasive species control
- * support for conservation partnerships with private landowners
- * regeneration of native forests and management of forest reserves
- * support for the Youth Conservation Corps, our next generation of conservationists on the land
- * development of affordable rental housing

These funds leverage other private, local, state, and federal funding. Reducing the amount of conveyance tax dedicated to these funds is penny-wise, but pound-foolish. Please do not eliminate the portion of the conveyance tax that goes to the Land Conservation Fund and do not reduce the percentage of conveyance tax that goes to the Natural Area Reserve Fund and the Rental Housing Trust Fund. Hold this bill in committee. Mahalo for the opportunity to testify.



A JOINT LEGISLATIVE EFFORT

E-Mail: FINtestimony@Capitol.hawaii.gov
Regarding: FINANCE Committee
Hearing on: Feb. 26, 2009, 12:00 pm Conf. Room 308

Late

Date: February 26, 2009
To: Representative Marcus Oshiro, Chair,
Representative Marilyn Lee, Vice Chair, and Members,
House Committee on Finance
From: Dennis Arakaki, Executive Director
Hawaii Family Forum / Hawaii Catholic Conference
Re: OPPOSITION TO HB 1741: RELATING TO THE CONVEYANCE TAX

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Rauckhorst, Jerome
Tong, Myron
Yoshimitsu, Walter

Honorable Chair Marcus Oshiro, Vice Chair Marilyn Lee, and members of the Finance Committee, I am Dennis Arakaki, representing both the Hawaii Family Forum and the Roman Catholic Church in the State of Hawaii.

Hawaii Family Forum is a non-profit, pro-family education organization committed to preserving and strengthening families in Hawaii. The Roman Catholic Church in Hawaii, under the leadership of Bishop Larry Silva, represents over 220,000 Catholics in Hawaii.

Hawai'i Family Forum and Hawaii Catholic Conference opposes this bill which would reduce the portion of the conveyance tax allocated to the Rental Housing Trust Fund to 15% from July 2009 to June 2015.

This reduction in the allocation to the Rental Housing Trust Fund (RHTF) would severely impact the ability of the State to produce any new affordable rental housing. The RHTF has a proven track record of utilizing all its funding to produce thousands of units of affordable rentals over the years. More funding is needed to address the additional need that will be coming as workers lose jobs or have hours reduced. The crisis in affordable rentals only gets worse each year since the production of new units still is well under the need.

Catholic Charities Hawai'i gets hundreds of calls each month for information or help with housing. Families are facing loss of jobs and don't know where to turn. Neighborhoods are being flooded with more homeless persons. Churches and food banks are running out of resources for food. With the downturn in the economy, there is a need to put resources into the basics of life: shelter is the most basic necessity for the citizens of our state.

We urge you to support the needs of so many of Hawaii's citizens for affordable rentals. We urge your support for an increase in the allocation of the conveyance tax to the RHTF to a minimum of 50% instead of a reduction to 15%, as proposed in this bill. I have been watching the RHTF ever since the Legislature initiated it. It is a much needed program in absence of Federal Public Housing. Mahalo!



Waianae Community Outreach

*P.O. Box 1912, Waianae, HI 96792
Ph: (808) 696-5667 Fax: (808) 696-1869*

HOPE for a New Beginning Shelter (Helping Our People Excel)

*Bldg 50 Belleau Woods, Kapolei, HI 96707
Ph: (808) 682-4673 Fax: (808) 682-4670*

Partnerships in Building Community

"I put my hand in your hand, what I cannot do alone, we will do together"

Mission

Provide Comprehensive services
with Aloha to individuals &
families in need so they can
become Self-Sufficient

Vision

Healthy Self-Sufficient Resilient
Individuals & Families

Values

Understanding
Respect
Responsibility
Integrity
Compassion
Honesty

TESTIMONY- OPPOSE – HB 1741: RELATING TO CONVEYANCE TAX

TO: **Representative Marcus Oshiro, Chair**, Representative Marilyn Lee,
Vice Chair, and Members, House Committee on Finance

FROM: Sophina B. Placencia, Executive Director

HEARING: Thursday, February 26, 2009, 12:00 pm; CR 308

Chair Oshiro, Vice Chair Lee, and members of the Committee on Finance:

Thank you for this opportunity to provide testimony on HB 1741 relating to the Conveyance Tax. I'm Sophina B. Placencia, executive director of Waianae Community Outreach (WCO). We are also members of Partners in Care a committee focused on the Homeless Continuum of Care for the county of Honolulu. **WCO opposes this bill which would reduce the portion of the conveyance tax allocated to the Rental Housing Trust Fund to 15% o**

This reduction in the allocation to the Rental Housing Trust Fund (RHTF) would severely impact the ability of the State to produce any new affordable rental housing. The RHTF has a proven track record of utilizing all its funding to produce thousands of units of affordable rentals over the years. More funding is needed to address the additional need that will be coming as workers lose jobs or have hours reduced. The crisis in affordable rentals only gets worse each year since the production of new units still is well under the need.

We urge you to support the needs of so many of Hawaii's citizens for affordable rentals. **We urge your support for an increase in the allocation of the conveyance tax to the RHTF to a minimum of 50% instead of a reduction to 15%, as proposed in this bill.**



Waianae Community Outreach

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Ph: (808) 696-5667 Fax: (808) 696-1869*

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(Helping Our People Excel)**

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Ph: (808) 682-4673 Fax: (808) 682-4670*

Partnerships in Building Community

"I put my hand in your hand, what I cannot do alone, we will do together"

Mission

Provide Comprehensive services with Aloha to individuals & families in need so they can become Self-Sufficient

Vision

Healthy Self-Sufficient Resilient Individuals & Families

Values

- U**nderstanding
- R**espect
- R**esponsibility
- I**ntegrity
- C**ompassion
- H**onesty

TESTIMONY- OPPOSE – HB 1741: RELATING TO CONVEYANCE TAX

TO: **Representative Marcus Oshiro, Chair,** Representative Marilyn Lee, Vice Chair, and Members, House Committee on Finance

FROM: Kanani Kaaiawahia Bulawan, Administration Advisor

HEARING: Thursday, February 26, 2009, 12:00 pm; CR 308

Chair Oshiro, Vice Chair Lee, and members of the Committee on Finance:

Mahalo for this opportunity to provide testimony on HB 1741 relating to the Conveyance Tax. I am Kanani Kaaiawahia Bulawan, the Administration Advisor to the Board of Directors of Waianae Community Outreach (WCO) and its Executive Director. We are also members of Partners in Care a committee focused on the Homeless Continuum of Care for the county of Honolulu. **WCO opposes this bill which would reduce the portion of the conveyance tax allocated to the Rental Housing Trust Fund to 15% from July 2009 to June 2015.**

This reduction in the allocation to the Rental Housing Trust Fund (RHTF) would severely impact the ability of the State to produce any new affordable rental housing. The RHTF has a proven track record of utilizing all its funding to produce thousands of units of affordable rentals over the years. More funding is needed to address the additional need that will be coming as workers lose jobs or have hours reduced. The crisis in affordable rentals only gets worse each year since the production of new units still is well under the need. More importantly when an increase in Emergency and Transitional housing programs for the homeless were created.

We urge you to support the needs of so many of Hawaii’s citizens for affordable rentals. We urge your support for an increase in the allocation of the conveyance tax to the RHTF to a minimum of 50% instead of a reduction to 15%, as proposed in this bill.

Representative, Chair, House Committee on Finance

Thursday, February 26, 2009
12 noon, Conference Room 308

Testimony in **Opposition** to HB 1741

Aloha Chair and members of the committee:

My name is Cynthia K.L. Rezentes and I am a resident of the Wai`anae Coast. I have seen the good that comes from the Legacy Lands Fund with the purchase of 11 acres for Ma`o Farms., Ma`o is an enterprise that not only brings organic produce to the market but more importantly provides a venue for educating youth on the rigors and rewards of entering the agricultural field. I also am a member of the O`ahu Land Trust.

I **oppose** HB1741 seeking to temporarily suspend the distribution of a portion of the conveyance tax to the land conservation fund and reduce temporarily the portions transmitted to the natural area reserve fund and rental housing trust fund.

While it is true the state budget will be very difficult to manage over the next few years, this is also the prime time to take advantage of the new realities of the real estate market. The Legacy Lands Fund can continue to expand and build on the positive work that has already come from the opportunities realized over the last few years with very little impact on the over-all budget deficit (less than \$4 million per year is realized in this fund).

While the short-term realities are difficult, I would encourage all of us to keep our eyes on the long-term future of the state and the reasons of why the Legislature and the Governor supported this effort just a few short years ago. Those reasons are still valid and in some ways even more important today.

Please **hold** this measure.



WAI'ANAE COMMUNITY RE-DEVELOPMENT CORPORATION
MA'O COMMUNITY FOOD SYSTEMS INITIATIVE

P.O. Box 441, Wai'anae, Hawai'i 96792
Tel/Fax. 808-696-5569
info@maoorganicfarms.org
www.maoorganicfarms.org

February 26, 2009

Hawai'i State Legislature, Finance Committee
Support of House Bill 1741

I am writing to **STRONGLY OPPOSE House Bill 1741**, which temporarily suspends the distribution of a portion of the conveyance tax to the Legacy Land Conservation Fund (LLCF).

In late 2007, the Wai'anae Community Re-Development Corporation (WCRC), a non-profit 501(c)3 organization, was awarded Legacy Lands funding in the amount of \$737,000 for the expansion of MA'O Organic Farms. Funds were used to purchase 11-acres of former farmland in Lualualei Valley, Wai'anae from the Takahashi family.

Without a shadow of doubt Legacy Lands funds were crucial and timely in our purchase of this land. The Takahashi family had been one of the larger chicken farmers on O'ahu starting from the early 1950's. They closed their business in 1986 and in 2007 decided to sell their land. The property is prime agriculture land and the threats were apparent; their realtor had advised them that if they divided the property into smaller units they would realize a greater return. However, after we were awarded Legacy funding the Takahashi's understood the importance of keeping the land in agriculture, and they worked with us patiently for 12-months to complete the sales transaction.

You are all aware of the depressed state of local agriculture, the fact that the majority of foods are imported into Hawai'i, and of the many development pressures on agricultural lands. Now, MA'O is in the midst of reviving the property and there are numerous positive outcomes that Legacy has already provided, this includes:

- MA'O is now the largest organic farm on the island of O'ahu, and potentially one of the largest producers of local organic fruits and vegetables in the State, and the economic and food security positives are too many to list here, consider that MA'O has already created 20 new jobs, and when development is complete the farm will generate over \$1 million in farm gate sales; and
- Since Legacy funding we have trebled the number of youth we work with – we now have 24 youth enrolled fulltime in associate degree programs at Leeward Community College, and over 900 youth are empowered in a range of comprehensive in-school programs.

Further, with Legacy support we were able to attract over \$2 million more in funds to improve the property and expand agricultural and education operations, this included an investment grant from E-Bay founder Pierre Omidyar to match the Legacy support.

Most important, in a rural community where agriculture has little impact on our local economy, the Legacy Lands Conservation program has truly created an asset and a legacy – simultaneously conserving land, improving food security, creating jobs, growing local agriculture, and educating our next generation. MA'O is now a permanent site of agricultural renewal and production; where local kids can not only see first hand but take an active leadership role, as together our community and our State works toward sustainability.

Mahalo for the opportunity to provide testimony.

Gary Maunakea-Forth
MA'O ORGANIC FARMS

DOUG COLE'S TESTIMONY
IN OPPOSITION TO HOUSE BILL NO. 1741
House Committee on Finance
Thursday, February 26, 2009, Rm. 308
<http://www.capitol.hawaii.gov/emailtestimony>

I strongly oppose HB 1471.

If passed this bill would severely harm land conservation efforts across the State that protect lands with tremendous agricultural, conservation and cultural/heritage value. Without the Legacy Land Conservation Fund (LLCF), these conservation efforts will find it far more difficult to secure necessary matching funds from federal and private sources.

Although this bill would cause great harm to conservation efforts, it will do very little to address the budget shortfalls faced by this legislature. Due to decreased conveyances, the LLCF has already dropped by nearly 50% from approximately \$12 million in fiscal year 2008 to approximately \$6 million in fiscal year 2009. Amidst a struggling economy and a real estate market that continues to decline, the LLCF will continue to drop and it is hard to imagine that suspending the LLCF would do much, if anything, to cure Hawaii's budget woes. Furthermore, suspending the LLCF in a declining real estate market would result in several missed conservation opportunities. These are opportunities that Hawaii can not afford to miss.

I strongly urge you to strike this bill down.

Thank you for this opportunity to testify.

Doug Cole
P.O. Box 356
Haleiwa, HI 96712

Testimony of Melora K. Purell, Coordinator, Kohala Watershed Partnership
Opposing H.B. 1741 Relating to the Conveyance Tax
House Committee on Finance
February 26, 2009, 12:00PM, Room 308

I strongly oppose H.B. 1741. The State of Hawaii has made a powerful commitment to the perpetuation of our unique natural resources through the funding it provides via the conveyance tax to the Natural Area Reserve Fund. Due to difficult financial times, the amount of money going into this fund has already been reduced, so it is critical that we do not reduce this fund even more. HB 1741 would inflict a critical blow to conservation across Hawaii, and many programs, including the Watershed Partnerships and the Invasive Species Committees, would be forced to reduce their programs to the point that they would be ineffective.

The Kohala Watershed Partnership brings together the 9 public land stewards and private owners of 99% of the forested watershed of Kohala Mountain. Our mission is to protect the watershed from threats, and ensure that it continues to provide millions of gallons of water every day to homes, ranches, resorts and businesses. The threats to the integrity of the watershed are enormous, and increasing every day. Invasive species and feral animals are replacing native forest species at an unprecedented rate, and without the actions of the Natural Area Reserve team, private land stewards, and the Kohala Watershed Partnership, we will lose not only the native species, but the essential ecosystem services that our native forest provides. In 1925, C.S. Judd, the Superintendent of Forestry said about water supplied by native forest, "the value of this liquid product of the forest, on which domestic needs and prosperity of the community depend, is most highly appreciated, and every effort is being made to conserve and maintain its source in the forest." Let us not disparage this legacy - !

The Kohala Watershed Partnership matches the funding from the State NAR fund at more than 1:1 ratio with funds from private donors, and federal grants. This brings money in to our local community in the form of jobs and services, and supports the environmental education of our keiki through outreach and partnerships with local schools.

Please ensure that the NAR funding is not decreased, and vote against H.B. 1741.

THE MOLOKA'I LAND TRUST'S TESTIMONY

IN OPPOSITION TO HOUSE BILL NO. 1741

House Committee on Finance

Thursday, February 26, 2009, Rm. 308

<http://www.capitol.hawaii.gov/emailtestimony>

Moloka'i Land Trust is writing in opposition to HB 1741.

Hawai'i's congressional delegates should keep in mind that here, more than anywhere else in the U.S., a healthy economy depends on a healthy environment. In an island state with the most endangered plants and animals anywhere on the planet, invasive species are a huge problem for Hawai'i and needs to be a full-time operation. Therefore, it should be a priority to protect the ability of the Natural Area Reserve Fund to continue protecting the natural resources of Hawai'i. As well, the continued commitment to protect and preserve Hawai'i's rare and valuable resources will be made possible through protecting programs such as the DLNR Legacy Land Conservation Fund (LLCF).

We are dependent on abundant forests, clean streams and productive seas for tourism, commerce, agriculture, fishing, cultural practices, recreation and spiritual solace. In turn, Hawai'i's native birds, plants, fish and marine mammals depend on us to protect them from habitat loss, alien pests and pollution.

The state faces a major budget shortfall, prompting proposals by the Legislature to divert money from special funds, including those set up specifically for natural resource protection and enhancement: the Natural Area Reserve Fund and the Land Conservation Fund. These two special funds already have taken a hit due to the sluggish housing market (a portion of the real property conveyance tax is deposited into the two special funds at the Department of Land and Natural Resources). The Natural Area Reserve Fund alone has declined from \$12 million in FY 2007 to a projected \$6 million in FY 2009, with further cuts projected through 2011. Any diversions from these funds will hamstring vital environmental programs.

Here are four examples of important programs needed to maintain thriving ecosystems and a robust economy in Hawai'i:

- **Watershed restoration partnerships:** Watershed restoration on the main Hawaiian Islands involves many alliances of state and federal agencies, landowners and conservation organizations working to protect forested watersheds for water recharge and conservation values. Funding of \$6.5 million would support nearly 200 jobs for projects such as installing and maintaining protective fences, removing and controlling invasive plants and animals, providing fire suppression, recovering imperiled native species and protecting and restoring water resources.
- **Invasive species committees:** This statewide program involves state and federal agencies, the counties, and grass-roots partners working in each county to respond to and control incipient invasive species. Funding of \$8.5 million would support 110 jobs focused on targeting non-native invasive plant and animal species that threaten Hawai'i's endangered species, environment, economy, human health and lifestyle.

- Invasive algae removal: The construction and operation of new algae "supersucker" barges to clean up Hawai'i's coral reefs and restore our fisheries would cost \$3 million over three years, provide 14 jobs, and help in the restoration of once-abundant fishing areas such as Kane'ohe Bay, Maunalua Bay, Waikiki on O'ahu; south Moloka'i; and Ma'alaea Bay on Maui.
- Legacy Land Conservation Fund (LLCF). The Legislature created the LLCF with broad support from the conservation and affordable housing community, and by a vast majority of both the House and Senate. MLT opposes HB 1741 because: (1) the people of Hawai'i will lose millions of dollars of federal and private matching money for important agriculture, conservation, and cultural/heritage protection projects if the LLCF is suspended, (2) the LLCF will be automatically cut by 50-60% as a result in decreased conveyances, (3) the LLCF has protected lands with tremendous agricultural, conservation and cultural/heritage value, and (4) this is the worst time to suspend the LLCF -- land prices will go down and the public will forgo once-in-a-lifetime opportunities.

Moloka'i Land Trust is currently using LLCF funding to leverage funds for the purchase of the 196 acre Kawaikapu Ranch on East Moloka'i. This beautiful watershed encompasses intact Ohia forest and the stream provides clean water for residents of the ahupua'a, and the marine ecosystem at its mouth. Further funding is being leveraged to begin stewardship activities on the land which will result in the creation of several job positions on this economically depressed island. Further needs for LLCF funding are critical to respond to the ever increasing demand for conservation on Moloka'i.

The federal economic stimulus package is even more important now than a few months ago when proposed state budget cuts first threatened many critical environmental programs, putting at risk the hard-earned gains we have made in recent years on invasive species control, watershed restoration and endangered species habitat protection. Operations like watershed partnerships, weed control, and preservation of important lands generate a lot of jobs, and the environment overall is as important to Hawaii as any other infrastructure.

The American Recovery and Reinvestment Act is designed to create jobs and invest in priorities like healthcare, education and energy. The national commitment to clean energies and energy efficiency is long overdue, but we cannot lose sight of the backlog of work needed to protect and restore our natural resources.

Vision and leadership from Hawai'i's elected officials are needed on this issue for all our sakes, but particularly for those who cannot vote — the endangered species of Hawai'i. We owe it to ourselves, our ancestors, and our children's children to make sure that our native forests, free-flowing streams, and coral reefs do not disappear forever, or else the heart and soul of Hawai'i will go extinct.

One of the soundest investments in the future of Moloka'i - as a visitor destination and a place to live - is preserving open space for the community and protecting and natural resources from invasive alien species, not for just cultural and biological reasons, but for protection of a vital source of water and the overall economy.

Thank you for taking this into consideration.

William Haase, Executive Director
Moloka'i Land Trust

Lara Reynolds
2237 Hoonanea St.
Honolulu, HI 96822

February 25, 2009

Re: Testimony in opposition to HB 1741

Dear House Committee on Finance,

I, Lara Reynolds, State of Hawaii resident, strongly oppose HB 1741, which suspends temporarily the distribution of a portion of the conveyance tax to the land conservation fund, and reduces conveyance tax funding to the Natural Area Reserve Fund and Rental Housing Trust Fund. The Land Conservation Fund and Natural Area Reserve Fund are already anticipating 50-60% cuts in state funding. All of these funds support essential programs for Hawai'i's people, including:

- purchase of land for recreation, environmental, mauka and makai access, and other public purposes
- protection of the Ceded Land reserves – the Natural Area Reserves System
- management of essential watersheds that provide fresh drinking water, irrigation water, and species habitat
- invasive species control
- support for conservation partnerships with private landowners
- regeneration of native forests and management of forest reserves
- support for the Youth Conservation Corps, our next generation of conservationists on the land
- development of affordable rental housing

These funds leverage other private, local, state, and federal funding.

Reducing the amount of conveyance tax dedicated to these funds is focused on short-term savings, but with long-term negative consequences. I feel that it is foolish for our State to make choices based on short-term gains without forethought; this is the reason our entire nation is in its currently poor economic and environmental conditions. Please do not eliminate the portion of the conveyance tax that goes to the Land Conservation Fund and do not reduce the percentage of conveyance tax that goes to the Natural Area Reserve Fund and the Rental Housing Trust Fund. Hold this bill in committee. Mahalo for the opportunity to testify.

Aloha,

My name is Janelle Williams and I live in Hilo. I strongly oppose HB 1741, which temporarily suspends the distribution of a portion of the conveyance tax to the land conservation fund, and reduces conveyance tax funding to the Natural Area Reserve Fund and Rental Housing Trust Fund. The Land Conservation Fund and Natural Area Reserve Fund are already anticipating 50-60% cuts in state funding. All of these funds support essential programs for Hawai'i's people, including:

- * purchase of land for recreation, environmental, mauka and makai access, and other public purposes
- * protection of the Ceded Land reserves, the Natural Area Reserves System
- * management of essential watersheds that provide fresh drinking water, irrigation water, and species habitat
- * invasive species control
- * support for conservation partnerships with private landowners
- * regeneration of native forests and management of forest reserves
- * support for the Youth Conservation Corps, our next generation of conservationists on the land
- * development of affordable rental housing

These funds leverage other private, local, state, and federal funding. Reducing the amount of conveyance tax dedicated to these funds is penny-wise, but pound-foolish. Please do not eliminate the portion of the conveyance tax that goes to the Land Conservation Fund and do not reduce the percentage of conveyance tax that goes to the Natural Area Reserve Fund and the Rental Housing Trust Fund. Hold this bill in committee.

Mahalo for the opportunity to testify.

**THE MOLOKA'I LAND TRUST'S TESTIMONY
IN OPPOSITION TO HOUSE BILL NO. 1741**

House Committee on Finance

Thursday, February 26, 2009, Rm. 308

<http://www.capitol.hawaii.gov/emailtestimony>

February 25, 2009

Chairperson Oshiro and members of the House Finance Committee,

Aloha. I am William Haase, Executive Director of the Moloka'i Land Trust, whose Board of Directors are; Colette Machado, President, Richard Cooke, Vice President, William Akutagawa, Treasurer, Cheryl Corbiel, Secretary, Davianna McGregor, Ed Misaki, Halona Kaopuiki, David Lunney, Jimmy Duvauchelle, and Stacy Crivello. I am testifying on behalf of the Moloka'i Land Trust in opposition to House Bill No. 1741.

Our primary concern is Section 1 of HB 1741 which would cut all funds from the Legacy Land Conservation Fund (LLCF) from July 1, 2009 through June 30, 2015. We feel that this would be an unfortunate and critical setback for the work of protecting ancestral lands and irreplaceable cultural and natural resources.

The Moloka'i Land Trust and members of the Board is currently using LLCF funding to leverage funds for the purchase of the 196 acre Kawaikapu Ranch on East Moloka'i. This beautiful watershed encompasses intact Ohia forest and the stream provides clean water for residents of the ahupua`a, and the marine ecosystem at its mouth. Further funding is being leveraged to begin stewardship activities on the land and will result in the creation of several job positions on this economically depressed island. Further needs for LLCF funding are critical to respond to the ever increasing demand for conservation on Moloka'i. We have already been approached by five other families whose ancestral lands have unique and prominent heiau and pristine natural resources to assist in the protection of their land. The LLCF can provide the critical support needed to secure additional private and federal monies to protect these lands for future generations.

MLT looks forward to partnerships in watershed management and control of invasive species and would hope that these programs would receive the full funding envisioned when the law was originally passed.

Thank you for taking this into consideration.

Mahalo,

William Haase, Executive Director
Moloka'i Land Trust

February 24, 2009

RE: Opposition to HB1741

Aloha Legislators,

On behalf of watershed protection in the great State of Hawaii, I am opposing HB1741. In these financially difficult times, I fully appreciate the economic hardship that Hawai'i is facing and that prudent decisions will have to be made to safeguard our state's economy and its citizens. However, it is important to impress upon you that watershed management has always been a wise investment throughout our state's history and that the forested watersheds we protect are fundamental to our economic engine. In deed the environment equals the economy!

By April of 2009, even without the proposed cuts under HB1741, we may lose tens of highly trained resource management staff steeped in institutional knowledge and therefore deal a great blow to the integrity of State Forest and Natural Area Reserves as well as private forest reserves throughout our state. DLNR has already put forward a 60% cut in watershed programs in 2010. Any loss in funding will diminish conservation organizations ability to multiply our revenues through matches from federal, county, private and other outside sources nor help stimulate local economies through our business. Programs designed to protect our resources such as weed and feral ungulate control, rare species protection, and outreach and education are on the block. Since the formation of the East Maui Watershed Partnerships in 1991, the success of their programs has led to increased protection of nearly 1 million acres of forest against invasive threats.

Furthermore, conservation success requires consistent effort to maintain and build upon previous gains. Interruptions in funding will not only cease forward progress but will actually make things worse by giving many forest threats the chance to multiply and repopulate areas from which they had been eradicated. A further reduction in funding now will undue past success and require increased future funding just to regain former benchmarks. Recovery may take years.

I am grateful for your ongoing support and consideration of this matter. Indeed the state support for watersheds has greatly increased in the past few years but I stress that it is necessary and still not equal to the need. Please help to maintain the quality of forests and the sustainability of our water resources. HB1741 will further cripple an already struggling group charge with the stewardship of the resource which make Hawaii unique and habitable.

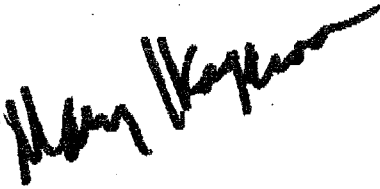
Mahalo nui loa,

Christopher N. Brosius

February 24, 2008

TO: Committee on Finance

FROM: Mary Ikagawa, Kailua



RE: OPPOSE HB1741, relating to the conveyance tax

Aloha,

Suspending these funds would cause a reduction in the ongoing battle against invasive species and impair watershed protection.

The State's immediate future plans call for increasing locally grown food and energy crops, both of which which require more water from our aquifers and protection against alien invasive species. The nature of invasive species is that constant pressure must be kept on them to prevent ballooning of populations beyond controllable levels.

Furthermore suspending these funds would cause job losses among some of the lowest-paid workers, conservation field techs.

Testimony of Christine Ogura
Opposing H.B. 1741 Relating to the Conveyance Tax
House Committee on Finance
February 26, 2009, 12:00PM, Room 308

I oppose H.B. 1741. The conservation programs which are beneficiaries of the Natural Area Reserve Fund protect the natural infrastructure which is the economic backbone for the state's tourism, agriculture, businesses, and island communities. These programs, as a result of falling conveyance tax revenues, are already facing a 50% budget cut. To add on top of this a further reduction in the NARF percentage would cripple many of these programs to the point of leaving them inoperable and non-functioning. If this happens, it will cost the state and its tax payers millions more in the future to gain back the progress made in forested watershed protection and invasive species control. It could also cripple the state's water supply, just as it did over 100 years ago when feral cattle degraded our forests and sugar plantation and ranchers noticed streams and wells drying up. Their response was to fence forested areas and take out feral cattle and other ungulates, create a forest reserve system, and restore forests by outplanting to restore island water supplies. This is the work carried on by the programs funded under the NARF. These programs also easily leverage state funding 1:1 by bringing in federal, county, and private funding. A UH study economically valued the Ko'olau Mountains forests at \$7-14 billion dollars with respect to the ecosystem services it provided by way of recharging water supplies, controlling soil erosion to keep oceans clean for swimming and fishing, mitigating flooding, providing habitat for native species found no where else but in Hawai'i, serving as cultural, recreational and educational areas, protecting public health with clean air and water, mitigating climate change affects, and creating jobs and supporting local businesses. Can the state legislature afford to pay \$14 billion to replace such services provided by our forested watersheds that are managed and protected by the NARF funded programs? Keeping the NARF percentage at 25% is a small investment for such large, sustainable, and long-term benefits for our island communities.

**Board of Directors
2009**

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James Crowe

Educational Coordinator

Jenby Freeland

February 25, 2009

TO: Representative Marcus K. Oshiro, Chair
House Committee on Finance

RE: Testimony opposed to HB 1741

I am providing this testimony in strong opposition to HB 1741 which would suspend conveyance tax funding to the Legacy Land Fund (LCF) and would dramatically reduce Natural Areas Reserve Funds (NARF).

If indeed **The Environment is Our Economy**, as is so often claimed by the administration, legislature, HTA, editorials and chambers of commerce, then this Bill will cause substantial damage our fragile economy.

The NARF funds more than just the State's Natural Areas Reserves. It provides the major source of funding for:

- the Invasive Species Committees on all islands,
- the multi-partner Watershed Partnerships that have done an astounding job of protecting and rehabilitating critical watershed areas and native species habitats, both of which are crucial to the health and wellbeing of the environment AND of the citizens and visitors in it, and
- the Youth Conservation Corps which recruits and trains the upcoming generation of leaders to take on the daunting task of protecting our increasingly threatened natural resources.

The NARF provides leverage for all of these programs to bring in substantially greater funding from Federal Resource Agencies, foundations, and corporate partnerships. Without the NARF funds, many of these leveraged funds will no longer be available

The LCF, born of the Legacy Land Act in 2005, has already allocated funding for the permanent protection of over 6,500 acres of land by local jurisdictions and conservation nonprofit organizations.

Through leverage of funds from county open space programs, federal resource agency grants, bargain sales from landowners, and donations from foundations and private donors, the \$ 14.1 million provided by the LCF in the first three years translates into almost \$44 million of protected value of agricultural, native habitat, cultural, and watershed lands.

Both the LCF and the NARF have already been severely depleted by the drop in Conveyance Tax revenue that began in 2008. Additional cuts in funding will lead to additional economic and financial damage from which it may not be possible to recover.

Please do not approve HB 1741.

Sincerely,

A handwritten signature in black ink, appearing to read "Dale B. Bonar". The signature is written in a cursive style with a large initial "D" and "B".

Dale B. Bonar, Ph.D.
Executive Director

TESTIMONY IN OPPOSITION TO HOUSE BILL NO. 1741

Aloha kakou,

I ask you to oppose HB 1741.

The Legislature created the the Legacy Land Conservation Fund (LLCF) with broad support from the conservation and affordable housing community, and by a vast majority of both the House and Senate in 2005. If HB 1741 passes now, it will greatly undercut the capacity of this fund to achieve its intended goals, and the lands, people and future generations of Hawa'i will suffer. The LLCF has protected lands with tremendous agricultural, conservation and cultural/heritage value, and it is not something that we can afford to sacrifice.

The people of Hawai'i will lose millions of dollars of federal and private matching money for important agriculture, conservation, and cultural/heritage protection projects if the LLCF is suspended. The LLCF will be automatically cut by 50-60% as a result in decreased conveyances. This is the worst time to suspend the LLCF, as land prices go down, the public will forgo once-in-a-lifetime opportunities to secure important agriculture, conservation, and cultural/heritage lands.

Please stop this bill.

Sincerely,
Jennifer Noelani Goodyear-Kaopua, PhD
2924 Alphonse Pl
Honolulu HI 96816

Dear Members of the House Committee on Finance,

As a member of Hawaii's conservation community, I am strongly opposed to HB 1741. My work takes place in the natural ecosystems of Hawaii for a private contractor, which has allowed me to know first-hand the continuing threats to our native ecosystems, as well as the importance of the natural resource work done by programs funded by the Natural Area Reserve Fund (NARF).

This bill would drastically reduce the amount of funding deposited into the NARF, cutting programs and leaving others ineffectual. However bad our general fund's fiscal situation is, the investment in the NARF as well as the Lands Conservation Fund are justified for the following reasons:

- These programs leverage large amounts of match from federal, private, and county sources, which greatly increases the total investment in conservation work. Without money to provide match, the State would lose these match opportunities, as well as default on current match requirements, which would make the State less eligible in the future for these grant awards.

- The programs cannot be suspended without huge losses to conservation efforts. This is because of the nature of the work - which involves continuous maintenance of infrastructure and control of rapidly expanding weeds and other noxious species. These invasions, left unchecked for a few years, will become enormous problems that will be exponentially more expensive to control in the future. If these programs are suspended decades of work will be ruined.

- NARF and LCF programs help Hawaii's resident's quality of life by enhancing water supplies as well as reducing coral reef sedimentation, preserving native species and the natural beauty of Hawaii. This also is important from an economic standpoint as these programs protect some of Hawaii's most loved visitor attractions.

Hawaii cannot afford these cuts to native ecosystem protection!

Please oppose HB 1741.

Mahalo, Stacey Fineran.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 26, 2009 10:05 AM
To: FINTestimony
Cc: kinslow@hawaii.edu
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Frances Kinslow
Organization: Individual
Address: PO Box 942 Mt. View HI
Phone: 808-987-0620
E-mail: kinslow@hawaii.edu
Submitted on: 2/26/2009

Comments:

Please do not pass this bill! I am writing in protest of using the conveyance funds for budget shortfalls. In this hard time, I do understand how shortfalls are affecting us all, and it is tempting to take money from issues that don't seem urgent. However, we should not be so shortsighted as to sell out our future. We could lose our natural and cultural resources - slowly, by attrition - because there will always be some pressing reason to use the money for other things. But once these spaces are gone, they are lost forever. We cannot get them back at some more opportune moment in the future.

As a property owner, I can say it certainly takes a bit of the sting out of paying taxes when I know that even a small amount is used for something so important. Please use these funds for the purpose for which they were intended. It is not money spent, it is an investment in the future of our children and our wonderful islands.

TESTIMONY BY JOANN A. YUKIMURA
OPPOSING HB 1741
BEFORE THE HOUSE FINANCE COMMITTEE
February 25, 2009
State Capitol
Conference Room 308

Chair Oshiro and Members of the House Committee on Finance:

Thank you for this opportunity to testify. I write in opposition to HB 1741. It would be short-sighted to approve HB 1741 which seeks to reverse your bold and far-sighted action of several years ago when the Legislature and the Governor enacted an increase in the conveyance tax and earmarked that increase for land conservation, natural area reserves and affordable housing.

Please consider this: We need affordable housing, and we need construction jobs. Land prices and construction bids are now going down. NOW IS THE TIME TO BUILD AFFORDABLE HOUSING when we can get the biggest bang for every dollar and create needed construction jobs. If we wait for land prices and construction costs to go up, affordable housing will be harder to build.

With land prices going down, NOW IS THE TIME TO BUY LAND AND PUT THESE "PLACES OF THE HEART" ASIDE FOR PARK PURPOSES, AGRICULTURE, CULTURAL USE, HABITAT AND WATERSHED PROTECTION, so that we can protect these resource lands that are the foundation of our prosperity, sustainability and sanity.

Let me give you a real life example. Everyone knows Hanalei Bay on the North Shore of Kaua`i. Renown for its beauty, it is beloved by residents and visitors alike. It is a place where people come to swim, surf, walk on the beach, fish, picnic, or "hang out" with family and friends. It is a place of free or inexpensive recreation, a place to relieve stress.

Over the last six years, the Kaua`i Public Land Trust (KPLT) has been seeking to purchase the ocean front parcel next to the Hanalei Pier to expand Black Pot Beach Park, but the landowner has never been willing. Last year our hearts sank when the owner secured a building permit and erected a construction fence around the property. But that owner, this year, has given KPLT a letter of intent indicating he is now willing to sell that lot to the County for park use. It is with the help of the Legacy Land monies that the County will be able to take advantage of the economic downturn and acquire that lot for much needed park expansion. These are the kinds of opportunities you will foreclose if you pass HB 1741. Without these monies, a house will be built on the lot instead, and the public will lose all chances for an expanded park.

In these tough economic times, it is important not to "throw the baby out with the bathwater." As you cut programs, as you must, please do not throw out the gems. **Please keep the things of lasting value for the common good.** Cut the waste; remove the ineffective, suboptimal programs; cut the short term project that will continue business as usual rather than make the changes we must make to sustain our statewide ohana into the future. **Please do not cut or reduce these core pono programs which are [that is] designed to create a legacy and a safety net for our people, now and into the future.**

Mahalo.

JoAnn Yukimura
jyukimura@hotmail.com

TESTIMONY OPPOSING HB1741:

On behalf of The Wildlife Society – Hawaii Chapter, I would like to register strong opposition to HB 1741, which suspends the distribution of a portion of the conveyance tax to the land conservation fund, and reduces conveyance tax funding to the Natural Area Reserve Fund and Rental Housing Trust Fund.

The Land Conservation Fund and Natural Area Reserve Fund are already anticipating 50-70% cuts in state funding due to declines in the conveyance tax. If this bill passes, the cuts become 80-90% cuts. All of these funds support essential programs for Hawaii's people, including:

- Purchase of land for recreation, native ecosystem protection, public land access easements, and other public purposes
- Management of the Natural Area Reserves System
- Management of essential watersheds that provide fresh drinking water, irrigation water, and species habitat
- Invasive species control
- Support for conservation partnerships with private landowners
- Regeneration of native forests and management of forest reserves
- Support for the Youth Conservation Corps
- Development of affordable rental housing

These funds leverage other private, local, state, and federal funding. Reducing the amount of conveyance tax dedicated to these funds would, for all intents and purposes, kill important programs that have been years in development, including the Invasive Species Committees, Watershed Partnership Program and Youth Conservation Corps. All these programs leverage federal funds, making them an excellent economic investment for the state. Eliminating them will eliminate jobs and federal funds leveraged up to 3:1, for a net loss of funding to the state coffers.

The Land Legacy Fund should not be frozen. The State has used this to purchase many important properties including Moanalua Valley, Hamakua Marsh Wildlife Sanctuary (mauka watershed lands), Honouliuli Forest Reserve and many other significant properties. The Moanalua and Hamakua were leveraged 60% federal to 40% state funds. The final Honouliuli settlement, when complete, will be 10% state, 90% federal/local/private, a tremendous return on investment. Protecting this fund is a net economic gain for the State of Hawaii.

Please do not eliminate the portion of the conveyance tax that goes to the Land Conservation Fund and do not reduce the percentage of conveyance tax that goes to the Natural Area Reserve Fund and the Rental Housing Trust Fund. Hold this bill in committee.

Mahalo,
David Leonard, President
The Wildlife Society, Hawaii Chapter

Ulupalakua Ranch, Inc.
HC 1 Box 901, Kula, Hawaii 96790-9302
Phone: (808) 878-1202
Fax: (808) 878-2178

February 25, 2009

To Whom It May Concern:

I have great concern over HB 1741. The legislation as it is written would severely hamper the States efforts in combating invasive species and protecting our precious watersheds. While this bill may have the intentions of saving the State money in the short term it will have a major negative financial impact on the State in the long term.

Ulupalakua Ranch, Inc. would be negatively impacted by this bill. First, the reduction in funds would reduce funding towards native reforestation for the purposes of enhancing our watershed. Ulupalakua Ranch has worked very closely with the State and several other groups in the protection and enhancement of our native watershed areas in Southwest Haleakala. Any reduction in funding at this time would be detrimental to these on going efforts.

Secondly, Ulupalakua Ranch borders on two different NARS areas. In both cases, especially in the Kanaio NARS, these areas are being invaded by noxious weeds. Cutting off the funding to the States ongoing efforts to control these weds and plants would mean there continuing spread. Their spread onto Ranch lands would have dire and long term negative impacts on our ability to run our business.

Please do not pass this bill as written.

If you have any reservations or questions, please feel free to call my office at (808) 878-1202.

Sincerely,

Sumner P. Erdman
President

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 4:51 AM
To: FINTestimony
Cc: bisaki@illinois.edu
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Bianca Isaki
Organization: Individual
Address: 1656 Kanalui Street Honolulu, HI 96816
Phone: 8089275606
E-mail: bisaki@illinois.edu
Submitted on: 2/25/2009

Comments:

I am writing to oppose HB 1741, a very bad bill that would completely eliminate 10% of the conveyance tax funding that goes into the Land Conservation Fund until June 30, 2015, reduce the conveyance tax funding that goes into the Natural Area Reserve Fund from 25% to 10% until June 30, 2015, and reduce the conveyance tax funding that goes into the Rental Housing Trust Fund from 30% to 15% until June 30, 2015.

In 2005, hundreds of people in a huge coalition of environmentalists, affordable housing advocates, Native Hawaiian practitioners, and other concerned citizens worked very hard to establish the Land Conservation Fund, increase the conveyance tax for high-end properties, and add the ceded land reserves - the Natural Area Reserves System - to the programs already benefiting from the conveyance tax. All of this is now threatened because of the budget shortfall. These funds leverage other private and public funding. They provide essential services to our people and are already stretched very thin.

Sincerely,
Dr. Bianca Isaki

Postdoctoral Fellow
Asian American Studies Program
University of Illinois at Urbana-Champaign
1208 West Nevada Street, MC 142
Urbana, Illinois 61801

OPPOSITION TO HB 1741

Nina Yuen, PO Box 5 Ninole, HI 96773

Committee on Finance members,

Reducing the percentage of conveyance tax revenues to the Natural Area Reserve Special Fund and eliminating revenues to the Land Conservation Fund will be an enormous loss for conservation efforts in Hawaii. The programs supported by these funds protect Hawaii from noxious and dangerous invasive species, fire, native species extinction, sedimentation of coral reefs, and degradation of Hawaii's forests. Reducing funding will drastically reduce the State's ability to protect some of Hawaii's most cherished places - Kaena Point, Kauai's Na Pali, as well as Mauna Kea, on my home, the Big Island.

These Special Funds support programs that have the responsibility of protecting over a million acres - roughly 1/4 of Hawaii's land area - from threats such as feral ungulates, fire, and noxious plant invaders. Plus, they leverage federal, county, and private match and capitalize on opportunities to permanently protect land with significant natural and cultural resources from development or inappropriate uses.

HB 1741 would be disasterous for these programs, reducing available funding far beyond the conveyance tax cuts due to lost opportunities for matching funds. More importantly, it would be disasterous for Hawaii's ecosystems, and the clean air, water, recreational, and cultural enjoyment we receive from them.

For the sake of future generations that deserve these ecosystem services, and for the native species themselves that should be protected from extinction, please do not pass this bill.

Sincerely,

Nina Olulani Rodriguez Yuen

Rachel Neville
Honolulu, HI

February 24, 2009

Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair
Committee of Finance
House of Representatives
State Capitol
415 Berentania Street
Honolulu, HI 96813

Re: HB 1741 Relating to the Conveyance Tax

I am writing to oppose HB 1741 which would reduce the amount of money put into the Natural Area Reserves Fund (NARF) from the conveyance tax. The NARF fund supports effective conservation programs that preserve our natural heritage for future generations, protect our islands from invasive species and protect our water supply. I understand that the Legislature has to make tough choices this year, but the NARF fund is already projected to be severely reduced as a result of decreased activity in the housing market. Additional reductions will kill good, effective conservation programs.

Although I am submitting this testimony as an individual, I manage a program that receives money from the NARF fund, and due to its consistent support, my program has been able to protect O'ahu from miconia and other weed threats. Miconia has devoured over 60,000 acres of forest in Tahiti—that is over one-half of the entire Ko'olau Range. Imagine if more than half the Ko'olau were carpeted in only one kind of tree—a tree that promotes soil instability, runoff, and landslides. Consistent funding from the NARF fund has prevented this scenario from happening on O'ahu.

The program I work for has systematically removed miconia from the forest and there are currently no known mature trees on the island. However, my program removed over 1,139 seedlings in 2008. One miconia tree can produce up to nine million seeds and if any one of those seedlings matured, the investment that the state has made over the last eight years will be wasted. The program will be set back years.

Our program also provides good jobs with benefits. The training we provide employees increases their marketability in the job market and gives them solid experience for the future.

Hawai'i is home to plants and animals that exist nowhere else on earth. If we lose our natural heritage we will lose part of what makes these islands so special. There is also a

practical side to supporting conservation; healthy forests ensure a steady water supply, remove carbon dioxide from the air and provide a better quality of life for O'ahu residents.

All programs that benefit from the NARF fund are already preparing for deep cuts due to the reduction in the amount of money going into the fund from a slower housing market. To reduce it further will result in job losses and setbacks of meaningful conservation programs that protect the natural resources on which our state depends. Please do not pass this bill.

Mahalo for your time,
Rachel Neville

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 7:30 AM
To: FINTestimony
Cc: octopus@maui.net
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Rene Umberger
Organization: Individual
Address:
Phone:
E-mail: octopus@maui.net
Submitted on: 2/25/2009

Comments:

Please don't reduce funding on the projects that need it the most. Do not sacrifice affordable housing or the environment. What's lost cannot be recovered.

We strongly oppose HB 1741, which suspends temporarily the distribution of a portion of the conveyance tax to the land conservation fund, and reduces conveyance tax funding to the Natural Area Reserve Fund and Rental Housing Trust Fund. The Land Conservation Fund and Natural Area Reserve Fund are already anticipating 50-60% cuts in state funding. All of these funds support essential programs for Hawai'i's people, including:

- * purchase of land for recreation, environmental, mauka and makai access, and other public purposes
- * protection of the Ceded Land reserves – the Natural Area Reserves System
- * management of essential watersheds that provide fresh drinking water, irrigation water, and species habitat
- * invasive species control
- * support for conservation partnerships with private landowners
- * regeneration of native forests and management of forest reserves
- * support for the Youth Conservation Corps, our next generation of conservationists on the land
- * development of affordable rental housing

These funds leverage other private, local, state, and federal funding.

Reducing the amount of conveyance tax dedicated to these funds is penny-wise, but pound-foolish. Please do not eliminate the portion of the conveyance tax that goes to the Land Conservation Fund and do not reduce the percentage of conveyance tax that goes to the Natural Area Reserve Fund and the Rental Housing Trust Fund. Hold this bill in committee. Mahalo for the opportunity to testify.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 8:11 AM
To: FINTestimony
Cc: robertw@snorkelbob.com
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Robert Wintner
Organization: Individual
Address:
Phone:
E-mail: robertw@snorkelbob.com
Submitted on: 2/25/2009

Comments:

An economic downturn should not facilitate mischief. Keep Hawaii pono.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 7:44 AM
To: FINTestimony
Cc: coordinator@eastmauiwatershed.org
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Jordan Jokiel
Organization: Individual
Address:
Phone:
E-mail: coordinator@eastmauiwatershed.org Submitted on: 2/25/2009

Comments:

I oppose H.B. 1741. Watershed Partnerships and other essential conservation projects will be unable to perform needed on-the-ground environmental protection efforts if this bill is passed.

Mahalo for your time.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 8:49 AM
To: FINTestimony
Cc: oswalds@oha.org
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Oswald K. Stender
Organization: Individual
Address: 1056 Maunawili Loop Kailua, Oahu, Hawaii 96734
Phone: (808)3484894
E-mail: oswalds@oha.org
Submitted on: 2/25/2009

Comments:

The loss of these funds will contribute to the eradication of Hawaii's flora and fauna, valued open space, cultural and precious archeological sites and the ambiance and environment that is Hawaii. I strongly oppose the passage of this bill. Mahalo and Aloha. O.K. Stender

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 8:48 AM
To: FINTestimony
Cc: eble@hawaii.edu
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Jeff A. Eble
Organization: Individual
Address:
Phone:
E-mail: eble@hawaii.edu
Submitted on: 2/25/2009

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 8:47 AM
To: FINTestimony
Cc: cmorden@hawaii.edu
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Clifford W. Morden
Organization: Individual
Address: 94-333 Alula Place Mililani, HI
Phone: 808-292-1369
E-mail: cmorden@hawaii.edu
Submitted on: 2/25/2009

Comments:

The Watershed Partnerships, Invasive Species Committee's and other conservation groups provide a significant front against the spread of invasive alien species in the Hawaiian landscape. These land managers and their crews are often the only lines of defense in the areas they are stewards over and there has been a tremendous improvement in these forests as a consequence. Invasive plant and animal species can rapidly deteriorate a biological community. Many areas throughout Hawaii were long neglected, and as a consequence there are vast tracts of land that dominated by a single alien species. The trickle down affect is that there is loss of biological diversity (native plants and animals going extinct) and more importantly a loss of precious watershed habitat.

With a growing population throughout the state, our water is our most valuable resource. If there were to be continued neglect, our native forests would continue to decline, resulting in less water infiltrating the soil, more water runoff, more erosion, and eventually a breakdown in the entire ecosystem.

A drop in funding to the conservation units around the state could spell the end of many of the existing conservation efforts. Reductions in this work force would not only slow the progress, but will cause a slip in the ecosystem management back to where it was years ago...nature does not hold up because of an economic down turn, and any let up in the effort will reverse much the efforts that have been made.

Respectfully,

Clifford W. Morden

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 8:55 AM
To: FINTestimony
Cc: nlincoln@stanford.edu
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Noa Lincoln
Organization: Individual
Address:
Phone: (808) 217-7710
E-mail: nlincoln@stanford.edu
Submitted on: 2/25/2009

Comments:

My name is Noa Lincoln - I have been born and raised in Hawaii, am of Hawaiian ancestry, am greatly involved in community issues in the State, and currently am a PhD candidate through Stanford University - and I strongly oppose HB 1741, which which suspends temporarily the distribution of a portion of the conveyance tax to the land conservation fund, and reduces conveyance tax funding to the Natural Area Reserve Fund and Rental Housing Trust Fund. I believe that these tax fundings are critical to support the long term health and prosperity of Hawaii, as well as providing short term benefits. Some of these gains include, but are not limited to:

- 1 - purchase of land for recreation, environmental, mauka and makai access, and other public purposes
- 2 - protection of the Ceded Land reserves - the Natural Area Reserves System
- 3 - management of essential watersheds that provide fresh drinking water, irrigation water, and species habitat
- 4 - invasive species control
- 5 - support for conservation partnerships with private landowners
- 6 - regeneration of native forests and management of forest reserves
- 7 - support for the Youth Conservation Corps, our next generation of conservationists on the land
- 8 - development of affordable rental housing

These short term gains provide housing and employment to many citizens of Hawaii, which are important in these tough economic times, but are also dwarfed by the long term implications of these programs. By conserving our forests and ecosystems in Hawaii we are preserving our culture, the ecosystem services upon which the health of our society depends on, and ultimately are preserving multiple ways of life - we are preserving the natural beauty of the islands which is largely the draw for the tourist industry, providing employment to a huge percentage of our residents - we are preserving the recreational lifestyle of many residents who hunt, camp, fish, hike, photographs, and otherwise enjoy the natural surroundings that Hawaii has to offer - we are preserving the species and the systems that allow native Hawaiian practitioners the resources they need to reserve the culture that makes Hawaii unique - and we are preserving the potential of our future generations to enjoy these natural gifts that we are in many ways taking for granted. I urge you to not allow this bill to pass which will certainly facilitate an even quicker loss of our natural environment in Hawaii. Malama pono - protect the righteousness. Noa Kekuewa Lincoln.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 8:50 AM
To: FINTestimony
Cc: dacaccia@aol.com
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: david caccia
Organization: Individual
Address: pob 1788 honokaa, HI
Phone: 776 1025
E-mail: dacaccia@aol.com
Submitted on: 2/25/2009

Comments:

With land prices low, now is the time to be buying open space.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 24, 2009 8:53 PM
To: FINTestimony
Cc: pt@philipt.com
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Philip Thomas
Organization: Individual
Address:
Phone:
E-mail: pt@philipt.com
Submitted on: 2/24/2009

Comments:
I strongly OPPOSE HB1741.

Regardless of our short-term economic situation, anything that reduces the already-insufficient funding for programs that support our Natural Area Reserves system is a BAD IDEA. Economies will wax and wane, but damage to Hawaii's unique natural areas--unique in the WORLD--is PERMANENT, and often completely irreversible. Please DO NOT jeopardize this funding!

In 2005, hundreds of people in a huge coalition of environmentalists, affordable housing advocates, Native Hawaiian practitioners, and other concerned citizens worked very hard to establish the Land Conservation Fund, increase the conveyance tax for high-end properties, and add the ceded land reserves--the Natural Area Reserves System--to the programs already benefiting from the conveyance tax. Please do not undermine the success of their campaign.

Aloha,
Philip Thomas

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 24, 2009 8:48 PM
To: FINTestimony
Cc: FloB2@aol.com
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Florence Bahr
Organization: Individual
Address: Kauhale St. Kihei, HI
Phone: 808 874-0661
E-mail: FloB2@aol.com
Submitted on: 2/24/2009

Comments:

I strongly oppose HB 1741, which suspends temporarily the distribution of a portion of the conveyance tax to the land conservation fund, and reduces conveyance tax funding to the Natural Area Reserve Fund and Rental Housing Trust Fund. There was not enough money in the past to do a good job and taking some out would be a disaster.

Please do not pass this bill.

Thanks for the opportunity to be heard.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 24, 2009 10:20 PM
To: FINTestimony
Cc: john@eco-living.net
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: John Schinnerer
Organization: Individual
Address: HC2 Box 6482 Kea'au, HI 96749
Phone: 808-982-6529
E-mail: john@eco-living.net
Submitted on: 2/24/2009

Comments:

I am writing to oppose HB 1741, which suspends temporarily the distribution of a portion of the conveyance tax to the land conservation fund, and reduces conveyance tax funding to the Natural Area Reserve Fund and Rental Housing Trust Fund.

The Land Conservation Fund and Natural Area Reserve Fund are already anticipating 50-60% cuts in state funding. All of these funds support essential programs for Hawai'i's people, including:

- * purchase of land for recreation, environmental, mauka and makai access, and other public purposes
- * protection of the Ceded Land reserves - the Natural Area Reserves System
- * management of essential watersheds that provide fresh drinking water, irrigation water, and species habitat
- * invasive species control
- * support for conservation partnerships with private landowners
- * regeneration of native forests and management of forest reserves
- * support for the Youth Conservation Corps, our next generation of conservationists on the land
- * development of affordable rental housing

These funds leverage other private, local, state, and federal funding. Reducing the amount of conveyance tax dedicated to these funds is shortsighted and does not recognize the leverage they have.

Do not eliminate the portion of the conveyance tax that goes to the Land Conservation Fund and do not reduce the percentage of conveyance tax that goes to the Natural Area Reserve Fund and the Rental Housing Trust Fund. Hold this bill in committee. Mahalo for the opportunity to testify.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 24, 2009 10:21 PM
To: FINTestimony
Cc: kaloli.pt@gmail.com
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Ann Strong
Organization: Individual
Address: Keaau, HI
Phone:
E-mail: kaloli.pt@gmail.com
Submitted on: 2/24/2009

Comments:

I oppose HB 1741, which suspends temporarily the distribution of a portion of the conveyance tax to the land conservation fund, and reduces conveyance tax funding to the Natural Area Reserve Fund and Rental Housing Trust Fund. The Land Conservation Fund and Natural Area Reserve Fund are already anticipating 50-60% cuts in state funding. All of these funds support essential programs for Hawai'i's people.

Hold this bill in committee. Thank you.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 11:11 AM
To: FINTestimony
Cc: kailua0862@yahoo.com
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Wendy Kuntz
Organization:
Address: 420A North Kalaheo Ave Kailua, HI
Phone: 262-0982
E-mail: kailua0862@yahoo.com
Submitted on: 2/25/2009

Comments:

I strongly oppose HB 1741, which suspends temporarily the distribution of a portion of the conveyance tax to the land conservation fund, and reduces conveyance tax funding to the Natural Area Reserve Fund and Rental Housing Trust Fund.

Our tourist economy benefits from natural areas and conservation land. Tourists come to Hawaii because it is unique in the world and known for its beautiful environment. We need to protect this resource.

Mahalo for the opportunity to testify.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 11:21 AM
To: FINTestimony
Cc: ohana@kipahulu.org
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Scott Crawford
Organization: Kipahulu 'Ohana
Address: PO Box 454 HI
Phone: 808-248-8673
E-mail: ohana@kipahulu.org
Submitted on: 2/25/2009

Comments:

Our native forest watersheds are our source of fresh water, upon which all other economic activity depends. These watersheds are under urgent threat from feral ungulates and invasive plants.

We cannot wait for an economic recovery to make protecting our forest a top priority, and we certainly shouldn't use the recession as a reason to cut funds for these efforts. Our source of fresh water is our security, and it must be protected.

These funds also directly create jobs for local people doing important work, and should be considered as economic stimulus directly as well.

(Kipahulu Ohana is a Supporting Partner with the East Maui Watershed Partnership.)

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 11:17 AM
To: FINTestimony
Cc: bill.standley@wildlifer.com
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Bill Standley
Organization: Individual
Address: 1511 Nuuanu Ave. 3136 Honolulu, HI
Phone: 808-548-0731
E-mail: bill.standley@wildlifer.com
Submitted on: 2/25/2009

Comments:

I strongly oppose HB 1741, dealing with the distribution of the conveyance tax to the land conservation fund, the Natural Area Reserve Fund and the Rental Housing Trust Fund. The Land Conservation Fund and Natural Area Reserve Funds are already operating on significantly less funding than is appropriate and further reductions go against all logic. If the work supported by these funds is not done, the state's native ecosystems will decline even further and will lead to further economic problems as well, so cutting funding now will cost us all much more in the long run.

These funds leverage other private, local, state, and federal funding. Therefore, reducing the amount of conveyance tax dedicated to these funds costs the programs even more. Please do not eliminate the portion of the conveyance tax that goes to the Land Conservation Fund and do not reduce the percentage of conveyance tax that goes to the Natural Area Reserve Fund and the Rental Housing Trust Fund. Please do not pass this bill.

Testimony of Monty Richards, President, Kahua Ranch
Opposing H.B. 1741 Relating to the Conveyance Tax
House Committee on Finance
February 26, 2009, 12:00PM, Room 308

I strongly oppose H.B. 1741. The programs that are funded by the Natural Area Reserve fund are essential to the protection of our Hawaiian natural resources, and the livelihoods of those that depend on these natural resources for the services they provide. Due to these difficult economic times, conveyance tax revenues are already facing a 50% decline. Further reduction in the NAR fund percentage would either eliminate many of these essential programs or cripple them to the point of leaving them inoperable and non-functioning.

As 5th-generation ranchers in North Kohala, we have always understood the close connection between land stewardship and water supply. The Natural Area Reserve fund supplies the funding to support watershed protection within the Natural Area Reserves, on private land, and for partnership projects. These programs also leverage state funding 1:1 by bringing in federal, county, and private funding.

The NAR fund from the conveyance tax is our State's way of supporting large-scale conservation that not only protects our incredible natural resources, but also supports sustainable practices, ensures high-quality jobs, guarantees the perpetuation of essential ecosystem services worth billions of dollars (e.g. how could we pay for water supply if our forests became so degraded that the quantity or quality of water was inadequate to support our population?)

Keeping the NARF percentage at 25% is a small investment for such large, sustainable, and long-term benefits for our island communities.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 11:30 AM
To: FINTestimony
Cc: freeman@aloha.net
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position:
Testifier will be present: No
Submitted by: Margery Freeman
Organization: Individual
Address: 6448 Kaahale St. Kapaa, HI 96746
Phone:
E-mail: freeman@aloha.net
Submitted on: 2/25/2009

Comments:

Dear Legislators,

HB1741 is a very bad bill and needs to be voted down. Collecting money to buy and safeguard recreational and other important land is very important and should not be cut or eliminated even in difficult times.

Please vote against HB 1741,

Sincerely,
Margery Freeman

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 11:33 AM
To: FINTestimony
Cc: moolani@hotmail.com
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Ingrid Tillman
Organization: Individual
Address: 151746Paradise Dr. Keaau HI 96749
Phone: 9665093
E-mail: moolani@hotmail.com
Submitted on: 2/25/2009

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 11:56 AM
To: FINTestimony
Cc: litton@hawaii.edu
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Creighton M. Litton
Organization: Individual
Address: Honolulu
Phone: 8085579431
E-mail: litton@hawaii.edu
Submitted on: 2/25/2009

Comments:

I strongly oppose HB 1741, which would temporarily suspend the distribution of a portion of the conveyance tax to the land conservation fund, and reduces conveyance tax funding to the Natural Area Reserve Fund. The Land Conservation Fund and Natural Area Reserve Fund are already anticipating 50-60% cuts in state funding. All of these funds support essential programs for Hawaii, including:

- * purchase of land for recreation, environmental, access, and other public purposes
- * protection of the Ceded Land reserves - the Natural Area Reserves System
- * management of essential watersheds that provide fresh drinking water, irrigation water, and species habitat
- * invasive species control
- * support for conservation partnerships with private landowners
- * regeneration of native forests and management of forest reserves
- * support for the Youth Conservation Corps, our next generation of conservationists on the land
- * development of affordable rental housing

These funds leverage other private, local, state, and federal funding. Reducing the amount of conveyance tax dedicated to these funds would be a short-term solution to a long-term problem. Hawaii desperately needs to think about the long-term impacts of such a decision. Please do not eliminate the portion of the conveyance tax that goes to the Land Conservation Fund and do not reduce the percentage of conveyance tax that goes to the Natural Area Reserve Fund. Hold this bill in committee.

Thank you for the opportunity to testify.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 11:58 AM
To: FINTestimony
Cc: sundownertoni@yahoo.com
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Toni Withington
Organization: Individual
Address: Box 76 Hawi
Phone: 808 884-5476
E-mail: sundownertoni@yahoo.com
Submitted on: 2/25/2009

Comments:

I strongly oppose this attempt to divert funds set aside by law.

The community of North Kohala has worked long and hard to get the State to purchase a small shoreline parcel surrounded by State land and the Lapakahi State Historical Park. The owners want to build a high-end residence on conservation land though the parcel is full of historic and cultural sites. We have worked hard for 20 years to get the State purchase the site. Postponing the purchase now could mean the building of the house and irreparable loss of the open nature of the North Kohala coast. Do not divert money so hard fought for by our community and many community organizations. Thank you, Toni Withington

64-608A Puu Ohu Place
Kamuela
Hawai'i 96743

As a resident of Hawai'i Island and a strong supporter of conservation organizations on the island, I strongly oppose HB 1741.

This House Bill suspends temporarily the distribution of a portion of the conveyance tax to the land conservation fund, and reduces conveyance tax funding to the Natural Area Reserve Fund and Rental Housing Trust Fund.

All of these funds are essential for the community of Hawai'i for many reasons. What these funds provide for include, but is not limited to, the purchase of land for environmental and recreational purposes; invasive species control; watershed management; protection of the Natural Area Reserves System, support for the Youth Conservation Corps, the regeneration of native forests and the development of affordable rental housing.

The Land Conservation Fund and Natural Area Reserve Fund are already anticipating 50-60% cuts in state funding. Please do not eliminate the portion of the conveyance tax that goes to the Land Conservation Fund and do not reduce the percentage of conveyance tax that goes to the Natural Area Reserve Fund and the Rental Housing Trust Fund. Thank you for the opportunity to testify.

Best Regards,

Samantha Birch

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 12:10 PM
To: FINTestimony
Cc: hgleason@hawaii.edu
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Heather Gleason
Organization: Individual
Address: Ekaha st Keaau Hi
Phone: 808-333-8094
E-mail: hgleason@hawaii.edu
Submitted on: 2/25/2009

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 12:31 PM
To: FINTestimony
Cc: nihipalim001@hawaii.rr.com
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Michele Nihipali
Organization: Individual
Address: 54-074 A Kam Hwy Hauula, HI
Phone: 293-1522
E-mail: nihipalim001@hawaii.rr.com
Submitted on: 2/25/2009

Comments:
House Committee on Finance

February 26, 2009

12:00 P.M.

Dear Chair Oshiro and Members of the Committee:

The watershed protection, invasive species control, and land preservation programs that are supported by the DLNR's Natural Area Reserve Fund are already anticipating 50-60% cuts in State funding . This is far more than any other State funded program. Further cuts would result in many natural resource protection programs being either inoperable or severely diminished.

Our natural areas are critical to Hawai'i's economy. Unfortunately they don't recognize economic recessions. A budget cut today could result in crippling costs tomorrow.

Thank you for the opportunity to testify.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 12:34 PM
To: FINTestimony
Cc: dbarshis@yahoo.com
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Dan Barshis
Organization: Individual
Address:
Phone:
E-mail: dbarshis@yahoo.com
Submitted on: 2/25/2009

Comments:

We strongly oppose HB 1741, which suspends temporarily the distribution of a portion of the conveyance tax to the land conservation fund, and reduces conveyance tax funding to the Natural Area Reserve Fund and Rental Housing Trust Fund. The Land Conservation Fund and Natural Area Reserve Fund are already anticipating 50-60% cuts in state funding. All of these funds support essential programs for Hawai'i's people, including:

- purchase of land for recreation, environmental, mauka and makai access, and other public purposes
- * protection of the Ceded Land reserves - the Natural Area Reserves System
- * management of essential watersheds that provide fresh drinking water, irrigation water, and species habitat
- * invasive species control
- * support for conservation partnerships with private landowners
- * regeneration of native forests and management of forest reserves
- * support for the Youth Conservation Corps, our next generation of conservationists on the land
- * development of affordable rental housing

These funds leverage other private, local, state, and federal funding. Reducing the amount of conveyance tax dedicated to these funds is penny-wise, but pound-foolish. Please do not eliminate the portion of the conveyance tax that goes to the Land Conservation Fund and do not reduce the percentage of conveyance tax that goes to the Natural Area Reserve Fund and the Rental Housing Trust Fund. Hold this bill in committee. Mahalo for the opportunity to testify.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 12:46 PM
To: FINTestimony
Cc: rosend@hawaii.edu
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Devan Rosen
Organization: Individual
Address: 2560 campus rd, 326 george hall honolulu, hi
Phone: 8089568911
E-mail: rosend@hawaii.edu
Submitted on: 2/25/2009

Comments:
House Committee on Finance

February 26, 2009

12:00 P.M.

Dear Chair Oshiro and Members of the Committee:

The watershed protection, invasive species control, and land preservation programs that are supported by the DLNR's Natural Area Reserve Fund are already anticipating 50-60% cuts in State funding . This is far more than any other State funded program. Further cuts would result in many natural resource protection programs being either inoperable or severely diminished.

Our natural areas are critical to Hawai'i's economy. Unfortunately they don't recognize economic recessions. A budget cut today could result in crippling costs tomorrow.

Thank you for the opportunity to testify.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 10:41 AM
To: FINTestimony
Cc: mvaught@hcsugar.com
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Mark Vaught
Organization: Individual
Address:
Phone:
E-mail: mvaught@hcsugar.com
Submitted on: 2/25/2009

Comments:

Susan Elliott Miller

1030 Aoloa Place, Apt. 102B
Kailua, Hawaii 96734-5262

808.261.7580
semiller@lava.net

Testimony for
House Committee on Finance
February 26, 2009
12:00 P.M.

H.B. 1741
Relating to the Conveyance Tax

Dear Chair Oshiro and Members of the Committee:

I oppose this bill and urge you to file it.

The watershed protection, invasive species control, and land preservation programs that are supported by the DLNR's Natural Area Reserve Fund are already anticipating 50-60% cuts in State funding because of the reduction in home sales. This is far more than any other State funded program. Further cuts would result in many natural resource protection programs being either inoperable or severely diminished.

Our natural areas are critical to Hawai'i's economy. They collect water, prevent erosion, and provide both a backdrop for, and specific elements of, our tourism industry. Unfortunately they don't recognize economic recessions. A budget cut today could result in crippling costs tomorrow and permanent damage to the public land trust.

Thank you for the opportunity to testify.

Sincerely,

/s/ Susan Elliott Miller

Susan Elliott Miller

:sem

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 10:52 AM
To: FINTestimony
Cc: lmhubbard@hawaiiantel.net
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: Yes
Submitted by: Lela M. Hubbard
Organization: Na Koa Ikaika
Address: 99.407 Aiea Hgts. Drive Aiea, HI 96701-3516
Phone: 487-2311
E-mail: lmhubbard@hawaiiantel.net
Submitted on: 2/25/2009

Comments:

Our land, fauna and ecosystems are what help to make Hawaii such a special place; these must be preserved. Hawaii should not be known as the extinction capitol of the world as it is now. We need to save these critical species and habitats. That takes commitment and money. We have lost too many very special plants and birds already. Please help to save what is left. Our aina should not be an orphan in the state again---lonely without kokua. Practically, our loss of natural beauty will not enhance the tourist industry.

The state of Hawaii should emulate Honolulu and California by not taking increases in salaries and giving up a day's salary to alleviate this budget crisis.

This special fund should be used only for its original purposes.

Mahalo,
Lela M. Hubbard
Na Koa Ikaika

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 6:52 PM
To: FINTestimony
Cc: mlspadaro@yahoo.com
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Mary Spadaro
Organization: Individual
Address: 980 Prospect St. #2 Honolulu, HI
Phone: 808-533-2172
E-mail: mlspadaro@yahoo.com
Submitted on: 2/25/2009

Comments:

The watershed protection, invasive species control, and land preservation programs that are supported by the DLNR's Natural Area Reserve Fund are already anticipating 50-60% cuts in State funding . This is far more than any other State funded program. Further cuts would result in many natural resource protection programs being either inoperable or severely diminished.

Protection of these areas cannot be brushed aside because of recession. Future mitigation of damage done today will be very expensive, and these areas are important to our economy.

Testimony in opposition to HB 1741

House Committee on Finance
Representative Marcus R Oshiro, Chair
Representative Marilyn H Lee, Vice-Chair

Dear Representative Oshiro and Representative Lee
and Members of the House Committee on Finance;

My name is Annette Kaohelaulii and I was a member of the Natural Area Reserves
Commission for eight years. The last two years I served as Chair of the Commission.

I am dismayed to learn that House Bill 1741 has even been introduced. To suspend even
temporarily the distribution of a portion of the conveyance tax to the land conservation
fund and to reduce the conveyance tax funding to the Natural Area Reserve Fund and
Rental Housing Trust Fund seems very short sighted to me. The funds are already facing
severe cuts because of the current housing and financial crisis. To suspend them makes
no sense at all.

I am totally opposed to passage of HB 1741 and urge you to hold the bill in committee.
When I think of all the efforts by so many people and the many years that went in to
eventually creating a funding mechanism for the Natural Area Reserves System, the
Legacy Lands Land Conservation Fund, and the Rental Housing Trust Fund, this latest
effort to weaken the legislation breaks my heart. The programs are so important for the
future of our natural areas. Please do not be short sighted. Do the right thing by our
natural resources. Do the right thing by the people.

Thank you for the opportunity to testify against this bill.

Annette Kaohelaulii
45-403 Koa Kahiko Street
Kaneohe, HI 96744
Telephone 235-5431
Fax 247-4113

Aloha Chair and members of the Committee,

I strongly oppose HB 1741, which suspends temporarily the distribution of a portion of the conveyance tax to the land conservation fund, and reduces conveyance tax funding to the Natural Area Reserve Fund and Rental Housing Trust Fund. The Land Conservation Fund and Natural Area Reserve Fund are already anticipating 50-60% cuts in state funding. All of these funds support essential programs for Hawai'i's people, including:

- * purchase of land for recreation, environmental, mauka and makai access, and other public purposes
- * protection of the Ceded Land reserves – the Natural Area Reserves System
- * management of essential watersheds that provide fresh drinking water, irrigation water, and species habitat
- * invasive species control
- * support for conservation partnerships with private landowners
- * regeneration of native forests and management of forest reserves
- * support for the Youth Conservation Corps, our next generation of conservationists on the land
- * development of affordable rental housing

These funds leverage other private, local, state, and federal funding. Reducing the amount of conveyance tax dedicated to these funds is penny-wise, but pound-foolish. Please do not eliminate the portion of the conveyance tax that goes to the Land Conservation Fund and do not reduce the percentage of conveyance tax that goes to the Natural Area Reserve Fund and the Rental Housing Trust Fund. Hold this bill in committee.

Mahalo for the opportunity to testify.

Respectfully submitted,

Landin Johnson
P.O. Box 23112
Honolulu, HI

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 9:52 AM
To: FINTestimony
Cc: ypoclay@gmail.com
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Clay Wilson
Organization: Laupahoehoe Nui LLC
Address: P.O. Box 1023 Honokaa HI 96727
Phone: 512 394-8722
E-mail: ypoclay@gmail.com
Submitted on: 2/25/2009

Comments:

This is the wrong time to cut funding for these programs. They bring badly-needed jobs to our rural outback areas. My understanding is that at the federal level, conservation efforts that are already in place will soon find favor in the plans for economic revitalization.

Thank you

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 9:51 AM
To: FINTestimony
Cc: abuckman22@hotmail.com
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Andrea Buckman
Organization: Individual
Address: P.O. Box 1643 Makawao, HI
Phone: 8082816836
E-mail: abuckman22@hotmail.com
Submitted on: 2/25/2009

Comments:

I absolutely oppose HB 1741! In 2005, hundreds of people in a huge coalition of environmentalists, affordable housing advocates, Native Hawaiian practitioners, and other concerned citizens worked very hard to establish the Land Conservation Fund, increase the conveyance tax for high-end properties, and add the ceded land reserves - the Natural Area Reserves System - to the programs already benefiting from the conveyance tax. All of this is now threatened because of the budget shortfall. These funds leverage other private and public funding. They provide essential services to our people and are already stretched very thin. The programs supported by the NAR fund are critical for maintaining our sense of place ecological integrity, and economic livelihood. Now is NOT the time to cut programs that protect our natural resources and our way of life. Cutting programs such as watershed partnerships will set the state back millions of dollars when they try to recover from the damage done by reducing these programs so severely. Protecting our natural resources (clean water, recreation, native species diversity, and scenery that keep our islands viable should be our state's priority no matter what the economy is doing!

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 10:08 AM
To: FINTestimony
Cc: dbishaw@hawaii.edu
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: David Bishaw
Organization: NA Kupuna Na Mo'opuna, Unlit.
Address: PO Box 933 Hilo, Hi
Phone: 808-989-5832
E-mail: dbishaw@hawaii.edu
Submitted on: 2/25/2009

Comments:

I strongly oppose HB 1741, which suspends temporarily the distribution of a portion of the conveyance tax to the land conservation fund, and reduces conveyance tax funding to the Natural Area Reserve Fund and Rental Housing Trust Fund. The Land Conservation Fund and Natural Area Reserve Fund are already anticipating 50-60% cuts in state funding. All of these funds support essential programs for Hawai'i's people, including:

- purchase of land for recreation, environmental, mauka and makai access, and other public purposes
- * protection of the Ceded Land reserves & the Natural Area Reserves System
- * management of essential watersheds that provide fresh drinking water, irrigation water, and species habitat
- * invasive species control
- * support for conservation partnerships with private landowners
- * regeneration of native forests and management of forest reserves
- * support for the Youth Conservation Corps, our next generation of conservationists on the land
- * development of affordable rental housing

These funds leverage other private, local, state, and federal funding. Reducing the amount of conveyance tax dedicated to these funds is penny-wise, but pound-foolish. Please do not eliminate the portion of the conveyance tax that goes to the Land Conservation Fund and do not reduce the percentage of conveyance tax that goes to the Natural Area Reserve Fund and the Rental Housing Trust Fund. Hold this bill in committee. Mahalo for the opportunity to testify.

**The Kauai Public Land Trust's Testimony
In Opposition to House Bill 1741
House Committee on Finance
Thursday, February 26, 2009, Rm. 308
<http://www.capitol.hawaii.gov/emailtestimony>**

The Kauai Public Land Trust (KPLT) is one of countless conservation organizations that supported the creation of the Legacy Land Conservation Fund (LLCF) in 2005. Since that time we have received funding for one project, and have an additional project pending. KPLT strongly opposes HB 1741 for four reasons: the people of Hawai'i will lose millions of dollars of federal and private matching money for important agriculture, conservation, and cultural/heritage protection projects if the LLCF is suspended, the LLCF will be automatically cut by 50-60% as a result in decreased conveyances, the LLCF has protected lands with tremendous agricultural, conservation and cultural/heritage value, and lastly, this is the worst time to suspend the LLCF -- land prices will go down and the public will forgo once-in-a-lifetime opportunities.

The LLCF allows state, county, and non-profits to match millions of federal funds available for land conservation. If the LLCF is suspended, the State will lose millions of federal funds, and once-in-a-lifetime opportunities to save land that supports local agriculture, conserves water resources, and sustains our Hawaiian heritage.

In general, every dollar spent from the LLCF generates 2-3 additional dollars of federal and/or private money. For example last year LLCF approved \$700,000 in funding towards the purchase of a 20 acre parcel in Kilauea, HI. KPLT used the Legacy Lands Funds as a match to help us secure an additional \$2,742,181 in funding from the federal government. Hawai'i's tax payers only paid for approximately 25% of the \$3,400,000 purchase price. This year KPLT has again received funding from LLCF to acquire a lot adjacent to Black Pot Beach Park in Hanalei for the express purpose of expanding the park. Again the funding received from LLCF, \$750,000 this year, will serve as a match for additional federal funds. Of the \$4,000,000 purchase price Hawai'i tax payers will only pay for 19%. Both of these projects will increase open space, secure beach access for the public, protect valuable wildlife habitat and ensure the health and well being of our island and our community in perpetuity.

KPLT has secured over 178 acres of land in Hawai'i. Hawai'i taxpayers have contributed approximately 20% or less of the fair market value in those transactions. The small amount in the LLCF allows the State, the counties, and non-profits, to leverage an additional 2-3 dollars of federal and/or private money for every LLCF dollar spent. Without the LLCF, the people of Hawai'i will lose millions of federal and private matching dollars.

Suspending the LLCF is not necessary. Conveyances have decreased dramatically with the weakening economy. The State estimates that the amount of money generated by the conveyance tax will decrease 50-60% this next fiscal year, reducing the LLCF budget by 50% more without the Legislature lifting a finger. This is a far greater cut than any other department or program.

The LLCF has conserved important lands with agricultural, conservation, and cultural/heritage value. For example in March of this year KPLT will purchase a 20 acre

coastal parcel in Kilauea. An important archaeological site, this spectacular coastal property also provides important habitat for shore birds, monk seals and turtles. The acquisition secures public access to one of the most beloved beaches on the north shore, Kahili or "Rock Quarry" beach. The lot completes the expansion of the Kilauea Coastal Preserve and ensures that from the Kilauea Wildlife Refuge past Na Aina Kai Botanical Gardens, will remain undeveloped for present and future generations. The purchase of this property, and thus the completion of the Kilauea Coastal Preserve would not have been possible without the LLCF.

Small investments through the LLCF in agriculture, conservation, and our cultural heritage pay off over time. Protecting watershed land from development can save the government billions of dollars in operating expenses to treat contaminated drinking water. Protecting agricultural land increases our ability to feed ourselves, create energy and secure a more sustainable future for our state and our people. By protecting cultural/heritage lands, we sustain what makes us unique as a culture and as a world renowned destination. Millions of visitors come to our state each year not only because of the natural beauty, but the richness of our culture. The protection of open spaces and culturally significant lands has a direct effect on our ability to attract first time and returning visitors. The small investments made possible by the LLCF result in immeasurable economic and social returns.

The weakening economy has brought with it innumerable challenges. KPLT understands and respects the difficult decision state lawmakers are currently faced with. However, we urge you not to cut LLCF funding. Due to decreased land values, LLCF funds can be used to secure more open space, public parks, culturally significant lands, and important habitat than in years past. This opportunity will not last, and the LLCF is a vital resource for conservation organizations that are working tirelessly to secure these "places of the heart" for present and future generations.

Kaua'i Public Land Trust

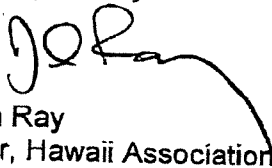
John Ray
PO Box 1680, Kamuela, HI 96743
808-937-2947

Testimony of John Ray, Chair of the Hawaii Association of Watershed Partnerships
Opposing H.B. 1741 Relating to the Conveyance Tax
House Committee on Finance
February 26, 2009, 12:00PM, Room 308

The watershed protection, invasive species control, and land preservation programs that are supported by the DLNR's Natural Area Reserve (NAR) Fund and Land Conservation Fund are already anticipating 50-60% cuts in State funding—far more than anticipated by other State funded programs. These cuts are going to happen regardless of H.B. 1741 because the conveyance tax source of funding is drastically reduced with the down real estate market.

The partnerships that receive money from the NAR Fund and manage our natural resources have already stopped filling open positions, are planning to lay off staff in the coming months, and have pulled back on protection efforts. Further cuts—like H.B. 1741—and the resulting loss of experienced staff will render many natural resource protection programs either inoperable or severely diminished, leaving our watersheds and communities vulnerable to threats, which do not recognize recessions.

Thank you for your consideration,



John Ray
Chair, Hawaii Association of Watershed Partnerships

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 10:27 AM
To: FINTestimony
Cc: williamsw011@hawaii.rr.com
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Waimea Williams
Organization: Individual
Address: 45-539 Pahia Road Kane'ohe, HI
Phone: (808) 375-5036
E-mail: williamsw011@hawaii.rr.com
Submitted on: 2/25/2009

Comments:

Mahalo for the opportunity to testify.

Only four years ago in 2005, hundreds of people in a huge coalition of environmentalists, affordable housing advocates, Native Hawaiian practitioners, and other concerned citizens worked very hard to establish the Land Conservation Fund. This was to increase the conveyance tax for high-end properties, and add the ceded land reserves (the Natural Area Reserves system) to programs already benefiting from the conveyance tax. All of this is now threatened because of the budget shortfall. These funds leverage other private and public funding. They provide essential services to our people and are already stretched very thin.

I strongly oppose HB 1741, which suspends temporarily the distribution of a portion of the conveyance tax to the land conservation fund, and reduces conveyance tax funding to the Natural Area Reserve Fund and Rental Housing Trust Fund. The Land Conservation Fund and Natural Area Reserve Fund are already anticipating 50-60% cuts in state funding. All of these funds support essential programs for Hawai'i's people, including:

- * purchase land for recreation, environmental, mauka and makai access, and other public purposes.
- * protection of the Ceded Land reserves.
- * management of essential watersheds that provide fresh drinking water, irrigation, and species habitat.
- * invasive species control.
- * support for conservation partnerships with private landowners.
- * regeneration of native forests and management of forest reserves
- * support for Youth Conservation Corps.
- * development of affordable rental housing

These funds leverage other private, local, state, and federal funding. Reducing the amount of conveyance tax dedicated to these funds is penny-wise, but pound-foolish. Please do not eliminate the portion of the conveyance tax that goes to the Land Conservation Fund and do not reduce the percentage of conveyance tax that goes to the Natural Area Reserve Fund and the Rental Housing Trust Fund. Hold this bill in committee. Aloha, and Mahalo.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2009 10:40 AM
To: FINTestimony
Cc: noelk@hawaii.edu
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Noel Kent
Organization: Individual
Address: 4886-3 Kilauea Hon. Hi.
Phone: 732-6941
E-mail: noelk@hawaii.edu
Submitted on: 2/25/2009

Comments:

Chair Oshiro and committee members:

Our wetlands must be protected. I know that this is a difficult budgetary year but reducing funding to the National Area Reserve Fund is shortsighted and will have long term consequences of cost to our environment and finances. Let's find the money to continue to fund this valuable work at a level that is functional. In our small, fragile group of islands, nothing is more important than maintaining a thriving, livable environment. Noel Kent

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 24, 2009 7:34 PM
To: FINTestimony
Cc: marmkilpatrick@hotmail.com
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Auston Marm Kilpatrick
Organization: Individual
Address: PO Box 1506 Captain Cook, HI, 96704
Phone: 845 596 7474
E-mail: marmkilpatrick@hotmail.com
Submitted on: 2/24/2009

Comments:

I strongly oppose this bill. As I understand it, the bill would eliminate 10% of the conveyance tax funding that goes into the Land Conservation Fund until June 30, 2015, reduce the conveyance tax funding that goes into the Natural Area Reserve Fund from 25% to 10% until June 30, 2015, and reduce the conveyance tax funding that goes into the Rental Housing Trust Fund from 30% to 15% until June 30, 2015.

The funds are badly needed for Hawaii's already damaged natural areas, and for the development of low income rental housing.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 24, 2009 7:53 PM
To: FINTestimony
Cc: Karen@KarenChun.com
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Karen Chun
Organization: Individual
Address: 87 Lae St. Paia HI 96779
Phone: 283-3049
E-mail: Karen@KarenChun.com
Submitted on: 2/24/2009

Comments:

Please oppose this bill which would reduce the portion of conveyance tax that goes to preserving conservation and natural area land.

There is NOTHING more important than protecting and reserving as much land as possible to the public.

Especially here on Maui we are losing our land to gated visitor subdivisions at an alarming rate.

I realize you have a financial problem but there are plenty of other areas that could be cut -- like for instance the useless visitor advertising.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 24, 2009 1:49 PM
To: FINTestimony
Cc: kohala1@yahoo.com
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Joe Carvalho
Organization: OLAPA, Hawaii Island
Address: 53378 Old Halaula Mill Rd Kapaau, HI 96755
Phone: 8088895226
E-mail: kohala1@yahoo.com
Submitted on: 2/24/2009

Comments:

I opposed bill HB 1741 because it takes away from what we have been working for in preserving important lands for the communities.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 24, 2009 11:54 AM
To: FINTestimony
Cc: molokailori@gmail.com
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Lori Buchanan
Organization: Legacy Lands Commission, Molokai/Maui Invasive Species Committee
Address: P.O. Box 220 Kualapuu, Hi 96757
Phone: (808) 954-6585
E-mail: molokailori@gmail.com
Submitted on: 2/24/2009

Comments:

I strongly oppose HB 1741. The state of Hawaii should not cut the revenues from the conveyance tax to the NARS and Legacy lands Commission funds. Protecting our natural areas and being able to protect quality lands from development is the most important thing the state of Hawaii can do to preserve it's future. Cutting funds to these entities is inconcievable and clearly shows that the ramifications of such an action has not been thoroughly investigated. Bottom line, we need to protect our quality of life for future generations through our environment. Clean water, clean air and clean lands. Passing of bill HB 1741 will result in adverse environmental impacts that may be irreprable.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 23, 2009 8:54 PM
To: FINTestimony
Cc: pennysfh@hawaii.rr.com
Subject: Testimony for HB1741 on 2/26/2009 12:00:00 PM

Testimony for FIN 2/26/2009 12:00:00 PM HB1741

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Penny Levin
Organization: E kupaku ka 'aina
Address: Maui
Phone:
E-mail: pennysfh@hawaii.rr.com
Submitted on: 2/23/2009

Comments:

E kupaku ka 'aina is a nonprofit organization whose mission is to restore degraded lands back to places of ecological health and abundance. We strongly oppose HB1714 temporarily suspending transference of portions of the Conveyance Tax to the described programs.

Funding for conservation efforts has always been dismally underfunded in the State of Hawaii, despite the fact that the natural environment is the foundation of our economy's bread and butter.

It has taken years to establish the Natural Area Reserve fund and the Rental Housing Trust Fund. While we understand the need for everyone to tighten their belts, these programs were not created to be cherry-picked by the legislature every time someone needs to find resources for another program or to stave off an economic crisis that could have been greatly softened by heading the warning signs that were evident more than five years ago. Unfortunately, this has too often been the case, even within the few years of their establishment.

At a time when everyone in the state, from agencies to families, is facing serious economic difficulties, the legislature chooses to go after those who have had the least for the longest in tax bill after tax bill in this session.

The need to continue to protect open space, fulfill conservation goals, and support the rental housing fund, is especially strong during times of economic hardship. The Natural Area Reserves Program, a program which manages some of the more critical endangered species habitat in the state and trains many of our youth in the field of conservation through the Youth Conservation Corps, is particularly vulnerable. For years, both lacked funding to even hire enough staff to do fulfill their jobs. Even with the Conveyance Tax, NAR funding has been attacked by many other agency interests. Efforts to recreate the emergency environmental jobs program this year originally implemented during a similar downturn as a means to keep people gainfully employed and serve the environment will lack sufficient supports to implement, from agency staff to materials and equipment, without the critical funding the Conveyance Tax provides to the programs that would work with these hires. It is fiscally irresponsible to strip these programs so heavily of resources that they can no longer function.

Conveyance Tax funding is also needed to meet required matches of federal dollars to purchase easements through the Land Conservation Fund or take advantage of housing programs through the Rental Housing Trust Fund.

We urge the honorable members of the Finance Committee to oppose HB1714.

Mahalo for this opportunity to testify.

Penny Levin

Shannon Wood
PO Box 1013
Kailua, HI 96735
Cell Phone: 808/224-4496
E-mail: swood@hoku.com

COMMITTEE ON FINANCE

Rep. Marcus Oshiro, Chair
Rep. Marilyn Lee, Vice Chair

HB 1741 - RELATING TO THE CONVEYANCE TAX Strongly OPPOSE + Proposed Substitution

PUBLIC HEARING

12 noon

Thursday, February 26, 2009
Conference Room 308

My name is Shannon Wood, a resident of Kailua, O`ahu, speaking in strong opposition to **HB 1741 - RELATING TO THE CONVEYANCE TAX**. I also offer a proposed substitution.

Although I worked alongside nearly a dozen organizations and hundreds of people to get this law passed in 2005, I am here today speaking on my own behalf and not representing any organization. Because my substitute proposal is highly controversial and the organization's **Board of Directors** did not have the opportunity to discuss it, I want to make it very clear I am speaking only on my own behalf.

Furthermore, there are several other bills I **OPPOSE** which are being examined today which would be directly impacted by my testimony.

In the 12 noon hearing, the relevant bills are: **HB 1732**; **HB1731**; **HB1744**. In the 3 pm hearing, the bills are: **HB 1746**; **HB1742**.

Three days ago, **California State Assemblyman** Tom Ammiano from San Francisco introduced legislation - **AB 390** - to tax California's largest agricultural crop - marijuana - in order to address a number of social & economic problems the state faces. A copy of an article from the **Los Angeles Times** follows my testimony. I also hear an interview with Mr Ammiano on **NPR** yesterday which led me to offer this substitution.

I've been to the **Assembly's** legislative website - <http://www.leginfo.ca.gov/> - and have read the bill which is over 40 pages long in the **PDF** version.

It is my personal position that given Hawai'i's own standing in the illicit marijuana market that the **Legislature** should give similar consideration to the concept of taxing it instead of cutting out valuable programs which help support the land, the air & the water, along with all the life forms living on, under or above them.

Therefore, I urge you to **HOLD** this bill - and the others listed above - and substitute language in one of them with a more generic title such as **RELATING TO TAXATION** to initiate a study to examine the California bill to see what its impacts would be here in Hawai'i including revenues & costs generated as well as a public safety issues such as reducing prison populations & other criminal justice issues.

Mahalo for the opportunity to testify in **OPPOSITION** to **HB 1741 - RELATING TO THE CONVEYANCE TAX** as well as the other bills which will have a horrendous negative impact on our people and our lives long after we come through these trying economic times.

Taxing pot could become a political toking point

An Assemblyman from San Francisco argues that it's time to tax and regulate the state's biggest cash crop in the same manner as alcohol. Opponents say it would create new costs for society.

**By Eric Bailey, Los Angeles Times
February 24, 2009**

Reporting from Sacramento -- Could *Cannabis Sativa* be a salvation for California's fiscal misfortunes? Can the state get a better budget grip by taxing what some folks take?

An assemblyman from San Francisco announced legislation Monday to do just that: make California the first state in the nation to tax and regulate recreational marijuana in the same manner as alcohol.

Buoyed by the widely held belief that cannabis is California's biggest cash crop, Assemblyman Tom

Ammiano contends it is time to reap some state revenue from that harvest while putting a damper on drug use by teens, cutting police costs and even helping Mother Nature.

"I know the jokes are going to be coming, but this is not a frivolous issue," said Ammiano, a Democrat elected in November after more than a dozen years as a San Francisco supervisor. "California always takes the lead -- on gay marriage, the sanctuary movement, medical marijuana."

Anti-drug groups are anything but amused by the idea of California collecting a windfall from the leafy herb that remains illegal under federal law.

This would open another door in Pandora's box," said Calvina Fay, executive director of Save Our Society From Drugs. "Legalizing drugs like this would create a whole new set of costs for society."

Ammiano's measure, **AB 390**, would essentially replicate the regulatory structure used for beer, wine and hard liquor, with taxed sales barred to anyone under 21.

He said it would actually boost public safety, keeping law enforcement focused on more serious crimes while keeping marijuana away from teenagers who can readily purchase black-market pot from peers.

The natural world would benefit, too, from the uprooting of environmentally destructive backcountry pot plantations that denude fragile ecosystems, Ammiano said.

But the biggest boon might be to the bottom line. By some estimates, California's pot crop is a \$14-billion industry, putting it above vegetables (\$5.7 billion) and grapes (\$2.6 billion). If so, that could mean upward of \$1 billion in tax revenue for the state each year.

"Having just closed a \$42-billion budget deficit, generating new revenue is crucial to the state's long-term fiscal health," said Betty Yee, the state Board of Equalization chairwoman who appeared with Ammiano at a San Francisco news conference.

Also in support of opening debate on the issue are San Francisco Sheriff Mike Hennessey and retired Orange County Superior Court Judge James Gray, a longtime legalization proponent.

"I'm a martini guy myself," Ammiano said. "But I think it's time for California to . . . look at this in a truly deliberative fashion."

He sees the possibility of an eventual truce in the marijuana wars with Barack Obama now in the White House.

A White House spokesman declined to discuss Ammiano's legislation, instead pointing to a transition website that says the president "is not in favor of the legalization of marijuana."

Several cities in California and around the nation have adopted laws making marijuana the lowest law enforcement priority, including Santa Barbara, Santa Monica, Denver and Seattle.

Oakland went even further in 2004, requiring pot to be taxed if it is legalized.

But where Ammiano sees taxes, pot foes see trouble.

They say easier access means more problems with drug dependency among adults, heavier teen use and an increase in driving while high.

"If we think the drug cartels are going to tuck their tails between their legs and go home, I think we're badly mistaken," Fay said.

"They're going to heavily target our children."