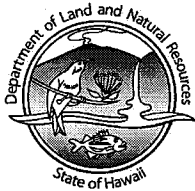


HB 1741

LINDA LINGLE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
LAURA H. THIELEN
Chairperson**

**Before the Senate Committee on
WAYS AND MEANS**

**Monday, April 6, 2009
10:00 AM
State Capitol, Conference Room 211**

**In consideration of
HOUSE BILL 1741, HOUSE DRAFT 1
RELATING TO THE CONVEYANCE TAX**

House Bill 1741, House Draft 1 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 temporary reductions that would sustain programs and allow them to continue and function.

Because of the decrease in real estate activity, the Conveyance Tax is projected to have a much reduced level of funding in FY 2010 and FY 2011 than has been available over the past few years. Revenue in FY 2007 was \$48 million, \$36 million in FY 2008, and is projected to be \$24 million in 2009 and flat into 2010 and potentially 2011. 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 FY 2008 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

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

every state dollar spent. However, estimated Conveyance Tax revenues to the LLCP in FY 2009, FY 2010 and FY 2011 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, House Draft 1 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, House Draft 1 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 FY 2010 and FY 2011. 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. 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 FY 2009 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 FY 2009 to \$0 in FY 2010. 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, HD1 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 House Bill 1741 House Draft 1, existing long-term Forest Stewardship agreements and contracts would not 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.

Under House Bill 1741, House Draft 1, funding for this program will be reduced to \$0, and the long-term funding agreement with USDA for \$57 million in federal funds for conservation projects on agricultural lands would have to be cancelled 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, or be able to carryout long-term funding agreement with USDA for the Conservation Reserve Enhancement Program.

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:

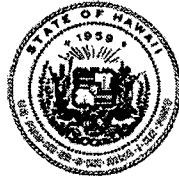
The Department will lose skilled highly trained staff, which will take years to replace once the economy recovers. Some threatened and endangered species will most likely go extinct due to lack of management and preservation efforts. Once gone, they are gone forever. Without ongoing management, recent 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 House Draft 1 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 approach would be to temporarily reduce and cap the funding going into the LCF from its projected \$2.4 million in funding in FY 2010 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.

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

SENATE COMMITTEE ON WAYS AND MEANS

April 6, 2009, 10:00 a.m.
Room 211, State Capitol

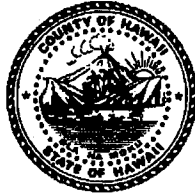
In consideration of
H.B. 1741, H.D. 1
RELATING TO THE CONVEYANCE TAX.

The HHFDC has serious ~~concerns~~ with H.B. 1741, H.D. 1. We recognize that the intent of this bill is to address budgetary concerns. However, reducing the percentage of conveyance tax revenues dedicated to the Rental Housing Trust Fund to 15 percent from 2009 to 2015 would have a devastating effect on the development of 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 provide comments on this measure.

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
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April 3, 2009

The Honorable Donna Mercado Kim
The Honorable Shan S. Tsutsui
and Committee Members
Committee on Ways and Means


Twenty-Fifth Legislature
Regular Session of 2009

SUBJECT: **House Bill 1741 HD1**
Hearing Date: 4/06/09
Time: 10:00 AM
Conference Room: 211

The Office of Housing and Community Development (OHCD) **opposes** House Bill 1741 HD1 as it relates to the Rental Housing Trust Fund (RHTF). Reducing the percentage of conveyance tax revenues dedicated to the RHTF by half, even on a temporary basis through June 30, 2015, 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.

for 
Stephen J. Arnett
Housing Administrator

THE
TRUST
for
PUBLIC
LAND



HAWAII

**THE TRUST FOR PUBLIC LAND'S TESTIMONY
IN OPPOSITION TO HOUSE BILL NO. 1741**

**Senate Committee on Ways & Means
Monday, April 6, 2009, 10:00 a.m., Rm. 211
WAMTestimony@Capitol.hawaii.gov**

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 or finding replacement water sources. 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 visitor 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)

TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: CONVEYANCE, Suspend earmarking

BILL NUMBER: HB 1741, HD-1

INTRODUCED BY: House Committee on Finance

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, 2020

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 4/3/09



**LEAGUE OF
WOMEN VOTERS
OF HAWAII**

49 SOUTH HOTEL STREET, ROOM 314 HONOLULU, HAWAII 96813 PHONE (808) 531-7448

April 3, 2009

**Honorable Donna Mercado Kim
Chair, Committee on Ways and Means
Room 210
State Capitol**

Re: House Bill 1741 Relating to the Conveyance Tax

Dear Senator Kim and Members of the Committee:

The League of Women Voters of Hawaii opposes this bill. It is extremely short sighted. It would deprive our state of significant amounts of additional private and federal matching funds for affordable rental housing programs as well as land and natural area conservation. There are better ways to help balance the budget than to siphon off conveyance tax revenue intended for the Land Conservation, Natural Area Reserve, and Rental Housing Trust Funds for the next six years.

Passage of HB 1741 would be pennywise and pound foolish. While it would do little to help balance the whole state budget, likely providing only \$9.6 million or so each year, that same money would go far in protecting natural areas and supporting affordable housing choices.

Thank you for this opportunity to testify.

**Jacqueline Parnell, President
League of Women Voters of Hawaii**



HB 1741 HD 1
RELATING TO THE CONVEYANCE TAX
Senate Committee on Ways and Means

Date: April 6, 2009

Time: 10:00 am

Room: 211

The ~~Office of Hawaiian Affairs~~ (OHA) **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.

OHA understands the fiscal constraints you are under and sympathizes with the difficulty of the decisions you struggle with today. Nevertheless we feel it may be improvident to suspend a program as valuable as this. This program enables ho'olaulima through public and private partnerships, leverages state resources up to 3 dollars for every state dollar. Moreover even as this is a time of economic struggle it is also a time when we can buy important land now at a price that will seem very reasonable in the future. We must work in the present being mindful of the past and future generations.

The LLCF has only begun to engender cooperation and collaboration among government agencies, Native Hawaiian communities and conservationists in acquiring and protecting 'āina forever. Some examples of LLCF projects and their goals are:

- 1) Kāwā Bay in Ka'ū and Lapakahi in North Kohala, Hawai'i Island each have important cultural and natural resources, endangered species habitats and are valuable coastal areas;
- 2) Honouliuli on O'ahu has important cultural resources, endangered species habitat and is a key watershed area; and
- 3) MA'O Farms in Lualualei Valley, O'ahu and Malu 'Āina, in Puna on Hawai'i Island are educational and cultural programs that connect people to 'āina, engender a love for lifelong learning and a commitment to food self sufficiency.

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.

Thank you for this opportunity to testify.



COORDINATING GROUP ON
ALIEN PEST SPECIES

The Senate
Ways and Means
Monday, April 6, 2009
10:00 a.m., Conference Room 211
State Capitol

Testimony in ~~Opposition~~ to HB 1741 HD1

Aloha Chair Mercado Kim, Vice Chair Tsutsui, and Members of the Committee,

The ~~Coordinating Group on Alien Pest Species~~ (CGAPS) is in opposition to **HB 1741 HD1**, *Relating to the Conveyance Tax*, and submits the following information for consideration.

Legislation passed in 2005 provided much-needed funding for the Act 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 protection of the environment, native species and natural resources. 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. **NARF programs are already facing the loss of nearly 160 staff and the environmental protection services they provide, even without this bill.** The passage of this bill would cut conveyance funding to 10% each year through 2015, which will mean a 150% reduction in program funds and the ability to match this amount with federal funds.

The current recession is projected to extend at least into late next year and environmental protection is already facing more cuts as less state money is available for federal match. If HB 1741 HD1 passes and the economy remains the same, environmental protection programs will shut down. Hundreds more will lose their jobs with the Natural Area Reserves, Invasive Species Committees and 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 HD1, which further impacts programs that are already under extreme economic duress. Mahalo for your consideration.

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



CATHOLIC CHARITIES HAWAII

TESTIMONY- OPPOSE - HB 1741 HD1: RELATING TO CONVEYANCE TAX

TO: Senator Donna Mercado Kim, Chair, and Senator Shan Tsutsui, Vice Chair and Members, House Committee on Ways and Means

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

HEARING: Monday April 6, 2009, 10:00 am; CR 211

Chair Kim, Vice Chair Tsutsui, and members of the Committee on Ways and Means:

Thank you for the opportunity to provide 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. Most importantly, the RHTF is critical to leverage federal funds to make affordable housing projects pencil out. In the current crisis, affordable rentals are even more in demand. 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. Now is a challenge but also an opportunity to build housing when costs are lower and economic stimulus is desperately needed. Housing production will help Hawaii's economy.

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.

On the other hand, our environment is what makes Hawaii a special place. The funds for the environment are also critical to leverage many more millions of dollars of private and federal funding to ensure Hawaii remains a special place.

Just a few years ago, a broad coalition of concerned citizens, organizations and elected officials worked hard to ensure ongoing funding for housing and the environment. We urge you to oppose this bill and to support these critical needs important to so many of our state's residents.





A JOINT LEGISLATIVE EFFORT

E-Mail to: WAMTestimony@Capitol.hawaii.gov
Regarding: Senate Committee on HTH
Hearing on: April 6, 2009 @ 10:00 a.m. #211

Date: April 3, 2009
To: Senate Committee on Ways & Means
Sen. Donna Mercado Kim, Chair
Sen. Shan Tsutsui, Vice-Chair
From: Dennis Arakaki
Executive Director
Hawaii Family Forum / Hawaii Catholic Conference

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Re: Opposition to HB 1741 HD1 Relating to the Conveyance Tax which would reduce the portion of the conveyance tax allocated to the Rental Housing Trust Fund to 15% from July 2009 to June 2015.

Honorable Chair and members of the Senate Committee on Ways & Means, I am Dennis Arakaki, representing both the Hawaii Family Forum and the Hawaii Catholic Conference which is the public policy voice for 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 Hawaii Catholic Conference, under the leadership of Bishop Larry Silva, represents over 220,000 Catholics in Hawaii.

The RHTF has a proven track record of utilizing all its funding to produce thousands of units of affordable rentals over the years. Most importantly, the RHTF is critical to leverage federal funds to make affordable housing projects pencil out. In the current crisis, affordable rentals are even more in demand. More funding is needed to address the additional need that will be coming as workers lose jobs or have hours reduced. The reduction in the allocation to the Rental Housing Trust Fund (RHTF) will severely impact the ability of the State to produce any new affordable rental housing. Although the financial market right now is challenging, it is also a great opportunity to build housing when costs are lower and economic stimulus is desperately needed. Housing production will help STRENGTHEN Hawaii's economy.

The economy is causing Families to lose jobs, neighborhoods are being flooded with a surplus of the homeless and destitute, and churches and food banks are running out of resources. With this downturn in the economy, there is a compelling 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 oppose this bill. Mahalo for the opportunity to testify.



Hawai'i Conservation Alliance FOUNDATION

**Testimony of Hawai'i Conservation Alliance Foundation
Opposing H.B. 1741 House Draft 1
Relating to the Conveyance Tax
before the
Senate Ways and Means Committee
April 6, 2009 at 10:00am
Room 211.**

The Hawai'i Conservation Alliance Foundation opposes H.B. 1741 HD 1.

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 and more than halve the portions of the conveyance tax distributed to the Natural Area Reserve Fund for the next 6 years. These Funds already have lost revenue due to the downturn in the housing market, and proposed budget cuts already are on the table which will lead to further, dramatic revenue 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 Land Conservation Fund and Natural Area Reserve Fund have been remarkable effective at leveraging other private, local, state, and federal funding and 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.



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 HD1 Relating to the Conveyance Tax
Senate Committee on Ways and Means
April 6, 2009, 10:00AM, Room 211

The Nature Conservancy opposes H.B. 1741 HD1.

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 many 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

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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

CONVEYANCE TAX 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%	HCDCH 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	\$2,074,566.26	\$518,641.57	\$207,456.63	\$622,369.88	\$726,098.18
January	\$1,738,521.89	\$434,630.47	\$173,852.19	\$521,556.57	\$608,482.66
February					\$0.00
March					\$0.00
April					\$0.00
May					\$0.00
June					\$0.00
Grand Totals	\$13,353,161.94	\$3,338,290.50	\$1,335,316.20	\$4,005,948.59	\$4,673,606.65

TOTAL CONVEYANCE TAX COLLECTIONS	
FY08	\$ 38,408,022
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 Hawai'i.	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, helipads, 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



Conservation Council for Hawai'i

Testimony Submitted to the Senate Ways and Means Committee
Hearing: Monday, April 6, 2009 10 am
Room 211

Opposition to HB 1741 HD 1 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 in strong opposition to HB 1741 HD 1. This bill will provide only \$9.6 million or so a year to help balance the budget, but it will result in irreversible harm, setting back critical programs and protections. It will result in lost opportunities and will cost us even more money in the future to try and make up for the loss of funding and damage done now. It will also increase the pressure on private, county and federal landowners and agencies to fund land acquisition and protection programs.

The Land Conservation Fund, Natural Area Reserve Fund, and Rental Housing Trust Fund have already decreased by 50-60% because of the economy and reduction in conveyance tax that supports these funds. The total conveyance tax collected is expected to decrease from \$38.4 million in fiscal year 2008 to approx. \$19.2 million a year in the near future – a loss of close to \$20 million.

It does not make good fiscal sense to cut state funds that leverage significant amounts of additional private and federal matching funds. In fiscal year 2008, \$4.7 million in the Land Conservation Fund leveraged over \$14.3 million in additional matching private and federal funds. In fiscal year 2008, \$9.6 million in the Natural Area Reserve Fund leveraged \$19.2 million in additional matching private and federal funds. The Rental Housing Trust Fund leverages additional non-state funds for affordable rental housing programs as well, stretching scarce funds to do even more good.

We believe that once HB 1741 is passed, the Legislature in 2015 will find another reason to eliminate or raid these funds, and they will never be completely restored. Why are these cuts proposed for 6 years, when federal stimulus money is on the way? There must be better ways to help balance the budget.

The Land Conservation Fund, Natural Area Reserve Fund, and Rental Housing Trust Fund are supported by, and are for the people. They were established because the legislature could not be counted on to adequately fund these programs in the budget on a regular basis. Now, after a broad coalition of concerned citizens, organizations, and elected officials worked so hard to establish these funds and increase support for these programs, some legislators want to eliminate or raid these funds.

Please do not pass this bill out of committee. Mahalo for the opportunity to testify.



Working Today for the Nature of Tomorrow!

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April 5, 2009

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Senator Donna Mercado Kim, Chair
Senator Shan S. Tsutsui, Vice Chair

Marian Grey
Vice President

Hearing: Monday April 6, 2009, at 10:00 am in Conference Room 211
HB 1741, HD1 – RELATING TO THE CONVEYANCE TAX

Gayle Carr
Secretary

Dear Chair Kim, Vice Chair Tsutsui and Honorable Committee Members,

~~Livable Hawaii Kai Hui~~ (LHKH) is a non-profit, nonpartisan community action group. We strive to promote sensible growth and respect for the land as well as upholding the integrity of the East Honolulu Sustainable Communities Plan (EHSCP).

Tai Hong
Treasurer

LHKH encourages grass roots organization, community awareness and education of laws, rules, and regulations that guide sensible growth and development to enhance the quality of life for residents, focusing on the preservation of the agricultural lands in Kamilonui Valley, natural watersheds and adequate open spaces and community stewardship for the protection of watersheds, wetlands, natural and irreplaceable resources and cultural and historic areas in East Honolulu, especially the Ka Iwi Coastline.

Jeannine Johnson
Director

We strongly oppose ~~HB1741~~ **HB1741 HD1** which suspends temporarily the distribution of a portion of the Conveyance Tax to the Land Conservation Fund and temporarily reduces the portions of the Conveyance Tax transferred to the Rental Housing Trust Fund and Natural Area Reserve Fund. HB 1741 HD1 will provide only \$9.6 million or so a year to help balance the budget, but it will result in *irreversible harm*, setting back critical programs and protections.

Allen Tateishi
Director

The Land Conservation Fund is used to help purchase open space, agricultural land, forests, habitat, recreation areas, public access, etc. Our community's long range mission and vision is to keep the entire Ka Iwi costal area in a natural wilderness state. We have been working with the O'ahu Land Trust, which has recently received over \$200,000 in start up funds, to purchase the privately owned Ka Iwi mauka lands. In the near future, we will need to rely on the Land Conservation Fund as well for funding so we must protect that opportunity; we must protect those funds.

Gary Weller
Director

Thomas Yamabe
Director

Livable Hawaii Kai Hui ~ P.O. Box 25493 ~ Honolulu, HI ~ 96825
Phone: 808.864-8081 Fax: 808.396-5399

Email: hawaiiikaihui@aol.com ~ Website: www.hawaiiikaihui.org

COMMITTEE ON WAYS AND MEANS
April 5, 2009
Page Two

HB1741 HD1 is not wrinkle in our community conservation effort to kōkua Ka Iwi, but rather a deep tear in the community fabric that has spent considerable time weaving together *the final* plan of action to protect Ka Iwi in perpetuity. HB1741 HD1 is not in the public' interest , will result in lost opportunities, and end up costing us even more money in the future to try and make up for the loss of funding and damage done now.

We humbly ask for your opposition HB1741 HD1. Thank you for your consideration.

Sincerely,

Elizabeth Reilly

Elizabeth Reilly, President



Testimony of the O'ahu Invasive Species Committee
Opposing H.B. 1741 Relating to the Conveyance Tax
Senate Ways and Means Committee
April 6, 2009, 10:00 AM, Room 211

The O'ahu Invasive Species Committee **opposes House Bill 1741.**

We understand the intent of the bill is to address budgetary concerns, but the reduction of the conveyance tax provided to the Natural Area Reserve Fund would have devastating effects not only for conservation organizations like ours and their staff, but also for Hawai'i's natural resources.

The O'ahu Invasive Species Committee receives money from the NAR fund and due to its consistent support we have been successful in protecting O'ahu from invasive species like miconia, Himalayan blackberry, and the coqui frog. Miconia has decimated over 60,000 acres of forest in Tahiti — that is equivalent to more than half of the entire Ko'olau Range covered with one tree that promotes soil erosion, runoff, and landslides. Consistent funding from the NAR Fund has prevented this scenario from happening on O'ahu.

OISC has systematically removed miconia from the forest and there are currently no known mature trees on the island. In 2008, over 1,136 seedlings were removed. Just one mature miconia tree can produce up to nine million seeds, so catching miconia before it matures is crucial to the program that the state has invested in for the past eight years. We also continue to control coqui frogs arriving on O'ahu in nursery shipments from the Big Island.

Our organization is already prepared to take the 50–60% economy-driven budget cut that will decrease staff and the number of hours dedicated to our priority species. Further reduction of the NAR Fund would leave our organization without the necessary resources to continue any type of effective control.

The nature of invasive species is that they are able to rapidly increase their populations to uncontrollable levels. HB 1741 is harmful to the islands because taking the pressure off high-threat species gives them the opportunity to balloon out of control and become far more costly to control compared to consistent management.

For the sake of future generations and current residents and visitors we ask members to vote against this bill HB 1741.

kim2 - Arline

From: jennifer Luck [jennifer@kauaipubliclandtrust.org]
Sent: Friday, April 03, 2009 12:39 PM
To: WAM Testimony
Subject: Vote NO on HB1741

Bill: HB1741

Hearing Date: Monday, April 6, 2009 10:00am

Dear Members of the Senate Ways and Means Committee,

I am writing to strongly urge you to vote No on HB1741. As executive director of the Kauai Public Land Trust (KPLT) I have experienced first hand the direct benefits of the Land Conservation Fund. The Land Conservation Fund allows non-profit conservation organizations like KPLT to purchase lands with historic and cultural value, protect endangered species habitat, preserve open space for future generations and secure access to beaches. These funds leverage significant amounts of federal and private funds, doubling or tripling the tax payers investment. As a result of the economy and a reduction in the conveyance tax that supports these funds, the Fund will already be reduced by 50% to 60%.

KPLT has successfully used grants from the Land Conservation Fund to leverage millions of federal and local funds. For example, in 2008 we received \$700,000 in funding from the Legacy Lands Conservation Fund to purchase a 20 acre parcel in Kilauea. We used these funds as match for a federal Recovery Lands Act grant of \$2,742,181. In 2009 KPLT was granted \$750,000 from Legacy Lands to purchase a property adjacent to Black Pot Park in Hanalei, these funds will be used to leverage an additional \$2,550,000 in funding from local and federal sources.

The Conservation Fund enables organizations like KPLT to protect lands with historic, cultural, scenic, ecological, and recreational significance. Both the Kilauea project and the Hanalei project would not have been possible without support received from the Legacy Lands Conservation Fund. The 20 acre property in Kilauea not only perpetually protects beach access to Kahili Beach - a very popular surfing and fishing spot - but preserves important natural habitat for Kauai's shorebirds, sea turtles and monk seals. The property adjacent to Black Pot Park - one of the most popular parks on Kauai - has been in desperate need of expansion for years. As early as the 1970's county planners recommended expanding the park to accomodate the growing number of residents and visitors. Despite a 50% increase in residents the park was never expanded. Finally in 2009 with the help and support of the Legacy Lands Fund KPLT and the County of Kauai now have an opportunity to provide additional open space and park land for local families to picnic, fish, camp and relax.

The conveyance tax will already be reduced by 50% to 60% simply because of the depressed economy, this will result in fewer lands protected. Eliminating the Land Conservation Fund will mean millions of dollars lost in federal, private and local funding for land conservation. It is not in the best interests of the people of Hawaii to reduce the percentage of the conveyance tax dedicated to the fund from 10% to 0%. We will loose the opportunity to preserve precious lands that if protected provide happiness, spiritual renewal, cultural reconnection and species protection for present and future generations. Eliminating the Land Conservation Fund is an extremely short sighted choice that would compromise the long term health and well being of our islands and our people and the preservation of the Hawaiian culture.

Mahalo nui loa for your consideration.

With much respect,
Jennifer Luck
Executive Director

Kaua'i Public Land Trust
Protecting Kauai's "Places of the Heart" since 1989
P.O. Box 562
Kilauea, HI 96754
www.kauaipubliclandtrust.org
(808) 346-9419 mobile
(866) 270-9892 fax



NA LEO POHAI

The Public Policy Affiliate of The Outdoor Circle

April 3, 2009

The Honorable Senator Donna Mercado Kim
And Committee Members
Senate Committee on Ways and Means
Hawai'i State Capitol
Honolulu, HI 96813

RE: Opposition to HB1741 relating to the conveyance tax

Chair Kim and Members of the Committee:

Thank you for this opportunity to present testimony on HB1741 on behalf of Na Leo Pohai, the public policy affiliate of The Outdoor Circle.

We do not believe this legislation is in the best interest of the people of Hawai'i and oppose its passage. HB 1741 will provide less than \$10 Million per year to help balance the budget. It will result in irreversible harm, setting back critical programs and protections

- The Land Conservation Fund, Natural Area Reserve Fund, and Rental Housing Trust Fund have already decreased by 50-60% because of the economy and reduction in conveyance tax that supports these funds.
- It is bad fiscal policy to cut state funds that leverage significant amounts of additional private and federal matching funds.
- We are concerned that once these funds are lost, they will never be completely restored.
- The Land Conservation Fund, Natural Area Reserve Fund, and Rental Housing Trust Fund are supported by and for the people. They were established because the legislature could not consistently fund these programs.

By rejecting HB1741 you will be supporting the efforts of a broad coalition of concerned citizens, organizations, and elected officials who have worked hard to establish these funds and increase support for these programs.

Please hold HB1741.

Bob Loy
Director of Environmental Programs
The Outdoor Circle

kim2 - Arline

From: mailinglist@capitol.hawaii.gov
Sent: Friday, April 03, 2009 3:18 PM
To: WAM Testimony
Cc: pennysfh@hawaii.rr.com
Subject: Testimony for HB1741 on 4/6/2009 10:00:00 AM

Testimony for WAM 4/6/2009 10:00:00 AM HB1741

Conference room: 211
Testifier position: oppose
Testifier will be present: No
Submitted by: Penny Levin
Organization: E kupaku ka 'aina - The Hawai'i Land Restoration Institute
Address: Wailuku, Hawai'i
Phone:
E-mail: pennysfh@hawaii.rr.com
Submitted on: 4/3/2009

Comments:

E kupaku ka 'aina - the Hawai'i Land Restoration Institute 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, Conservation Lands, and Rental Housing Trust Funds. While we understand the need for everyone to tighten their belts, the programs served by the Conveyance Tax 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 since the establishment of the Legacy Lands Program, the Watershed Partnerships and the NAR.

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 downturn in the economy has directly impacted the resources brought in by the Conveyance Tax, already reducing the size of these funds by at least 50 percent.

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, 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 fulfill their jobs. Even with the Conveyance Tax, NAR funding is attacked every year. 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, ranging from agency staff and time 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. Without it, we get no additional dollars for invasive species control, endangered species protection, environmental education and job training programs, open lands protection, recreational programs, etc.

We urge the honorable members of the Ways and Means Committee to oppose HB1714 HD1.

Mahalo for this opportunity to testify.

Penny Levin
Executive Director
E kupaku ka 'aina



25 Maluniu Ave., Suite 102., PMB 282 • Kailua, HI 96734 • Phone/Fax: (808) 262-0682 E-mail: htf@lava.net

COMMITTEE ON WAYS AND MEANS

Senator Donna Mercado Kim, Chair
Senator Shan S. Tsutsui, Vice Chair

HB 1741
RELATING TO THE CONVEYANCE TAX

Committee Chair and members;

~~Hawaii's Thousand Friends~~ opposes HB 1741 that would temporarily suspend the distribution of a portion of the Conveyance Tax to the Land Conservation Fund and temporarily reduces the portions of the Conveyance Tax transferred to the Rental Housing Trust Fund and Natural Area Reserve Fund.

The April 2, 2009 Star Bulletin editorial "Stewardship needed, even in fiscal crisis" pretty much says it all. Stewardship of Hawaii's land, natural and cultural resources doesn't just stop when there is a financial downturn in the economy but is never ending.

The down turn in the economy has already decreased the amount of money going into the Land Conservation Fund, Natural Area Reserve Fund and Rental Housing Trust Fund by 50-60%. If passed, HB 1741 would prevent the Land Conservation Fund from receiving any funds at all for six years. This is very short sighted.

Eliminating funding to the Land Conservation Fund does not eliminate the need to protect Hawaii's fragile and important places from development and other threats. It does prevent additional matching federal and private funding from entering the states coffers. Without the ability to protect fragile and important places the threats will continue and the destruction could escalate.

We urge this committee to not eliminate the conveyance tax allocation for the Land Conservation Fund but instead consider a more prudent approach such as reducing the allocation for land purchases with a goal of restoring the fund to full allocation when Hawaii's economy recovers. This approach would demonstrate leadership and stewardship.



PARTNERS IN CARE

TESTIMONY- OPPOSE - HB 1741: RELATING TO CONVEYANCE TAX

TO: Senator Mercado Kim, Chair; Senator Tsutsui, Vice Chair and members of the Ways and Means Committee

FROM: Darlene W. Hein, Partners In Care

HEARING: Monday April 6, 2009 at 10:00 am CR 211

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 to not pass this bill out of committee.

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

kim2 - Arline

From: Katye Killebrew [katyek@mac.com]
Sent: Friday, April 03, 2009 11:23 AM
To: All Senators
Cc: WAM Testimony
Subject: HB 1714 HD1 hearing, Monday April 6, 10:00 a.m. Room 211

Aloha Senators and members of the Ways and Means Committee,

Please accept this testimony in email form as I cannot be present at the hearing to ask you to please vote against this bill.

- HB 1741 is an ill-conceived bill, it is not in the public interest, and it is bad fiscal policy. It will result in lost opportunities and will cost us even more money in the future to try and make up for the loss of funding and damage done now.
- The Land Conservation Fund, Natural Area Reserve Fund, and Rental Housing Trust Fund have already decreased by 50-60% because of the economy and reduction in conveyance tax that supports these funds. (The total conveyance tax collected is expected to decrease from \$38.4 million in fiscal year 2008 to approx. \$19.2 million a year in the near future – a loss of as much as \$23 million.)
- HB 1741 will provide only \$9.6 million or so a year to help balance the budget, but it will result in irreversible harm, setting back critical programs and protections.
- It does not make good fiscal sense to cut state funds that leverage significant amounts of additional private and federal matching funds.
- In fiscal year 2008, \$4.7 million in the Land Conservation Fund leveraged over \$14.3 million in ADDITIONAL matching private and federal funds.
- In fiscal year 2008, \$9.6 million in the Natural Area Reserve Fund leveraged an additional \$19.2 million in ADDITIONAL matching private and federal funds.
- The Rental Housing Trust Fund leverages additional non-state funds for affordable rental housing programs as well, stretching scarce funds to do even more good.
- Once legislators get a hold of these funds, they will never restore them completely, or give them back. Why are the cuts proposed for 6 years when federal stimulus money is on the way? There are better ways to help balance the budget.
- The Land Conservation Fund, Natural Area Reserve Fund, and Rental Housing Trust Fund are supported by and for the people. They were established because the legislature could not be counted on to adequately fund these programs in the budget on a regular basis. Now, after a broad coalition of concerned citizens, organizations, and elected officials worked so hard to establish these funds and increase support for these programs, some legislators want to eliminate or raid these funds. Auwē!

Warm aloha,
Katye

Katye Killebrew
2140 Aha Niu Place Honolulu, Hawaii 96821
(808) 734-3499 home (808) 864-6281 cell
katyek@mac.com

April 4, 2009

To: Senator Donna Mercado Kim, Chair and Senator Shan S. Tsutsui, Vice Chair
Senate Committee on Ways and Means

From: Patrick Conant

Subject: Testimony in opposition to HB 1741 Relating to the Conveyance Tax
to be added to the record of the hearing on April 6, 2009 at 10 AM

Dear Senators Mercado Kim, Tsutsui and Committee Members,

I am very much opposed to this bill since it will actually cause the State to lose millions in matching non-State funds. The share of the conveyance tax that goes to the Natural Area Reserve Fund provides many jobs in rural areas that would be in jeopardy if that share is reduced more than is already anticipated by reduced land transactions. **This is not the time to be laying people off, especially since those funds are used to obtain millions of matching private and federal dollars to protect our watersheds and natural resources. The State does not even pay their entire salaries!**

The Legacy Land Conservation Fund (LCF) will also be affected so that there will be less State funds to match federal and private for purchases of legacy lands for public enjoyment. **In 2008, the LCF leveraged over 14.3 million private and federal dollars from the 4.7 million it had!** Those opportunities often only come once and sellers won't wait six years for the end of the recession. Land prices are low now so now is the time to invest public funds in legacy lands and save taxpayer dollars for other things.

The Natural Area Fund has also leveraged millions in matching funds. **From the 4.7 million of State Funds it had, that fund secured more that 14.3 million of matching federal and private funds! Does the legislature really want to eliminate all these additional non-State funds from Hawaii's economy?**

I have quickly paged through 133 pages of the previous testimony relating to HB 1741 (the House version of this bill) and I did not see anyone supporting the bill, other than the State Tax office and a taxpayer "watchdog" group!. Is it not clear what the public wants regarding this bill? **It is also clear from that testimony that the portions of the conveyance tax that go to both the rental housing fund and the NARF are critically needed to keep many people working and paying their rent. Isn't that more important than trying to cut some costs to the State that show up on some spreadsheets?**

April 3, 2009
RE: HB 1741

Sen. Hooser,

I understand that HB1741 has been referred to the Ways and Means and would like to voice my opposition to this bill. If NARF funding is lost, essentially, the Hawaii Invasive Species Committee funding is lost. Most of the protection to Hawaii's watershed depends on this funding; implemented through programs like the watershed alliances and the Invasive Species Committees. If funding to the NARF is lost, then the ISCs will likely have to shut down or scale back on projects and essentially making them useless.

Many ongoing projects regarding invasive species removal will suffer. On Kauai, work to protect the watershed from the invasive plant miconia will be subject to a devastating impact. Since the seed viability of this plant is over 12 years, each plant allowed to mature would set eradication efforts back by this many years. As of now, we have had no mature plants since 2004. With continuing efforts, we stand a very good chance to eradicate this pest.

Coqui frogs are another target on Kauai that is near eradication. With only one population, now down to countable frogs, continued efforts must be maintained to ensure a coqui-free Kauai.

I urge you to not pass this bill out of committee.

Respectfully,

Keren Gundersen

Testimony of Christine Ogura
Opposing H.B. 1741 HD 1 Relating to the Conveyance Tax
Senate Ways and Means Committee
April 6, 2009, 10:00AM, Room 211

I oppose H.B. 1741 HD 1. 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.

- **Can the state afford to have another 200 people out of jobs?** These programs also employ close to 200 people (not to mention supporting local businesses where supplies are purchased). See how your decisions are impacting local lives by going to: <http://www.youtube.com/watch?v=NhUX6zaffSE>
- **Can the state afford at this time to turn away an additional \$20 million in funding leveraged by these programs?** These programs also easily leverage state funding 1:1 by bringing in federal, county, and private funding.
- **Can the state afford to pay \$14 billion to replace such services provided by our forested watersheds that are managed and protected by the NARF funded programs?** 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.
- These programs, as a result of falling conveyance tax revenues, are already at a 50% budget cut and have laid off workers and cut back on protection activities. 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.

I understand the state is facing a significant shortfall and cuts need to be made. What I advocate is that the state make smart, strategic decisions in their cuts. **Does it really make sense to cut these special funds which generate money for the state by leveraging millions of dollars and employ so many people?** Keeping the NARF percentage at 25% is a small investment for such large, sustainable, and long-term benefits for our island communities.

kim4 - Elizabeth

From: mailinglist@capitol.hawaii.gov
Sent: Friday, April 03, 2009 3:40 PM
To: WAM Testimony
Cc: sundownertoni@yahoo.com
Subject: Testimony for HB1741 on 4/6/2009 10:00:00 AM

Testimony for WAM 4/6/2009 10:00:00 AM HB1741

Conference room: 211
Testifier position: oppose
Testifier will be present: No
Submitted by: Toni Withington
Organization: Individual
Address: 55-960 Beers Road Hawi
Phone: 808 884-5476
E-mail: sundownertoni@yahoo.com
Submitted on: 4/3/2009

Comments:

In North Kohala on the Big Island we have been working with many community organizations for years to prioritize and purchase valuable publically-used coastal land for preservation. Now that we are on the threshold of finally answering the community's call for protection the Legislature wants to jerk the rug out from all our work. Shame on you!!!!

HB 1741 is an ill-conceived bill, it is not in the public interest, and it is bad fiscal policy. It will result in lost opportunities and will cost us even more money in the future to try and make up for the loss of funding and damage done now.

HB 1741 will provide only \$9.6 million or so a year to help balance the budget, but it will result in irreversible harm, setting back critical programs and protections. It does not make good fiscal sense to cut state funds that leverage significant amounts of additional private and federal matching funds. In fiscal year 2008, \$4.7 million in the Land Conservation Fund leveraged over \$14.3 million in ADDITIONAL matching private and federal funds.

In fiscal year 2008, \$9.6 million in the Natural Area Reserve Fund leveraged an additional \$19.2 million in ADDITIONAL matching private and federal funds.

The Land Conservation Fund, Natural Area Reserve Fund, and Rental Housing Trust Fund are supported by and for the people. They were established because the legislature could not be counted on to adequately fund these programs in the budget on a regular basis. Now, after a broad coalition of concerned citizens, organizations, and elected officials worked so hard to establish these funds and increase support for these programs, some legislators want to eliminate or raid these funds.

kim4 - Elizabeth

From: mailinglist@capitol.hawaii.gov
Sent: Friday, April 03, 2009 4:00 PM
To: WAM Testimony
Cc: Martin_Joanne@gsb.stanford.edu
Subject: Testimony for HB1741 on 4/6/2009 10:00:00 AM

Testimony for WAM 4/6/2009 10:00:00 AM HB1741

Conference room: 211
Testifier position: oppose
Testifier will be present: No
Submitted by: Joanne Martin
Organization: Individual
Address: 61-163 Iliohu Place Haleiwa, HI
Phone:
E-mail: Martin_Joanne@gsb.stanford.edu
Submitted on: 4/3/2009

Comments:

Dear Senators, Please oppose HB 1471. The Land Conservation Fund, Natural Area Reserve Fund, and Rental Housing Trust Fund have already decreased by 50-60% because of the economy and reduction in conveyance tax that supports these funds.

Each of these funds attracts two or three times as much in matching or additional funds from federal or private sources. It does not make good fiscal sense to cut state funds that provide this kind of leverage.

I understand that these cuts are supposed to be temporary, but getting them restored will require long, long hours of work, and it may not be successful. Why are the cuts proposed for 6 years? Doesn't this suggest they will not be restored?

Now, after a broad coalition of concerned citizens, organizations, and elected officials worked so hard to establish the Land Conservation Fund, Natural Area Reserve Fund, and Rental Housing Trust Fund, and increase support for these programs, some legislators are trying to destroy all the hard work that went into the creation of these funds. There are better places to cut the budget. Please help? Sincerely, Joanne Martin, Haleiwa

kim4 - Elizabeth

From: eric schott [pualehuafarm@hotmail.com]
Sent: Friday, April 03, 2009 4:26 PM
To: WAM Testimony; All Senators
Subject: No to HB1741 HD1

Ways And Means Committee, the purpose of this e-mail is to testify against HB 1741 HD1 relating to conveyance tax before your committee on April 06 2009 at 10am. This is a badly flawed bill which in no way serves the public interest. The conveyance tax funds which have been set aside for the Land Conservation Fund, Natural Area Reserve Fund and Rental Housing Trust Fund should not be reduced or compromised in any way. The lands that have been purchased and set aside under this program are for the public good, all are irreplaceable and funding their protection is important as is the need for future monies set aside with the same objective.

I very strongly urge the Ways And Means Committee to find other ways of balancing the state budget other than limiting the ability of the state to purchase what precious little untouched lands remain for conservation purposes. Please think of what will be lost forever and vote no on HB1741 HD1.

Mahalo, Eric and Brenda Schott

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HB 1741 HD 1

Dear, Senate Ways and Means Committee

I am greatly ~~opposed~~ to HB 1741 for the following reasons:

- HB 1741 HD1 is an ill-conceived bill, it is not in the public interest, and it is bad fiscal policy. It will result in lost opportunities and will cost us even more money in the future to try and make up for the loss of funding and damage done now.
- The Land Conservation Fund, Natural Area Reserve Fund, and Rental Housing Trust Fund have already decreased by 50-60% because of the economy and reduction in conveyance tax that supports these funds. (The total conveyance tax collected is expected to decrease from \$38.4 million in fiscal year 2008 to approx. \$19.2 million a year in the near future – a loss of as much as \$23 million.)
- HB 1741 HD1 will provide only \$9.6 million or so a year to help balance the budget, but it will result in irreversible harm, setting back critical programs and protections.
- It does not make good fiscal sense to cut state funds that leverage significant amounts of additional private and federal matching funds.
- In fiscal year 2008, \$4.7 million in the Land Conservation Fund leveraged over \$14.3 million in ADDITIONAL matching private and federal funds.
- In fiscal year 2008, \$9.6 million in the Natural Area Reserve Fund leveraged an additional \$19.2 million in ADDITIONAL matching private and federal funds.
- The Rental Housing Trust Fund leverages additional non-state funds for affordable rental housing programs as well, stretching scarce funds to do even more good.
- Once legislators get a hold of these funds, they will never restore them completely, or give them back. Why are the cuts proposed for 6 years when federal stimulus money is on the way? There are better ways to help balance the budget.
- The Land Conservation Fund, Natural Area Reserve Fund, and Rental Housing Trust Fund are supported by and for the people. They were established because the legislature could not be counted on to adequately fund these programs in the budget on a regular basis. Now, after a broad coalition of concerned citizens, organizations, and elected officials worked so hard to establish these funds and increase support for these programs, some legislators want to eliminate or raid these funds.

Please do not pass this bill.

Mahalo,

~~Roger Imoto~~

kim4 - Elizabeth

From: Carol Wilcox [meleoli@yahoo.com]
Sent: Friday, April 03, 2009 11:50 PM
To: WAM Testimony
Subject: Opposition to HB1741 by Wilcox

Testimony in ~~opposition~~ to HB1741 Relating to the Conveyance Tax,
by ~~Carol Wilcox~~

Hearing WAM, April 6, 2009, 10:00 a.m. Room 221

Dear Chair Kim, Vice Chair Tsutsui, and Members of Senate Ways & Means Committee,

The Conveyance Tax was supported by the people of Hawaii recently because we want our land preserved for future generations and we want social justice, and we understand the connection between the two. The fact that hard times are on us does not change those basic principals. The Conveyance tax expressed the intentional will of the people that government support these principals. HB1741 directly contradicts the people's expectation that the government support in our common priorities.

HB1741 is a near sighted bill. This is not the way to cut the budget. HB1741 does little to raise money or curb spending and may in fact be contraproductive to those two budgetary goals.

These are indeed difficult times; exactly when we need real vision and leadership. We look to the Senate to lead this State in meaningful budget reform.

I urge you to hold HB 1741 in committee.

Thank you for the opportunity to testify.

Carol Wilcox
TPL Advisory Board

kim4 - Elizabeth

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, April 04, 2009 7:23 AM
To: WAM Testimony
Cc: octopus@maui.net
Subject: Testimony for HB1741 on 4/6/2009 10:00:00 AM

Testimony for WAM 4/6/2009 10:00:00 AM HB1741

Conference room: 211
Testifier position: ~~oppose~~
Testifier will be present: No
Submitted by: ~~Rene Umbarger~~
Organization: Individual
Address:
Phone:
E-mail: octopus@maui.net
Submitted on: 4/4/2009

Comments:

These funds are already being drastically reduced by economic circumstances, please don't gut them any more - the price will be too hard to pay in the future.

kim4 - Elizabeth

From: Chris Buddenhagen [cbuddenhagen@gmail.com]
Sent: Saturday, April 04, 2009 11:37 AM
To: WAM Testimony
Subject: HOUSE BILL 1741 HD1, RELATING TO THE CONVEYANCE TAX. Monday April 6, 2009 at 10:00 AM

Testimony of: ~~Chris Buddenhagen~~

Of 2121 Algaroba Street, Honolulu, HI

Before the House Committee on Way and Means

Monday, April 6, 2009

10:00 AM

State Capitol, Conference Room 211

In consideration of: HOUSE BILL 1741 HD1, RELATING TO THE CONVEYANCE TAX.

Considering the already grim situation for funding, I think the impact of HB 1741 to funding for conservation programs in Hawaii is ~~unacceptable~~. In addition the proposed six year period proposed for this reduction is excessive.

With revenues from the conveyance tax already around 50% of previous levels conservation programs e.g. Watershed Partnership Programs and invasive species initiatives such as the Hawaii Invasive Species Council are facing a lean period, with 50% reductions in funds quite possibly leading to complete shut down of some programs in some counties. This could lead to setbacks or failures to protect Hawaii's natural resources e.g. Miconia eradication on Kauai and Oahu is still feasible but requires annual search and destroy efforts to prevent the seedling from reaching maturity.

Revenues are already down 50% due to low property sales. Reducing the percentage going to the NARS fund from 25% to 10% would amount to an 80% reduction in funding for some of our most effective conservation programs.

I would argue that the amount of revenue generated for general funds via this Bill is such a small compared to the cost to conservation efforts.

If the Bill is passed the time period in which it is under effect should be reduced to one year and should definitely not be extended beyond the current biennium.

Sincerely,

--

Chris Buddenhagen
2121 Algaroba Street #605
Honolulu, HI, 96826
phone: 808 343 9515

kim4 - Elizabeth

From: andrea barnes [barnesa008@hawaii.rr.com]
Sent: Friday, April 03, 2009 8:29 PM
To: sens@captiol.hawaii.gov; WAM Testimony
Subject: HB 1741 HD 1 relating to the conveyance tax, this Monday, April 6, 2009 10 am

Honorable Senators and Committee Members, The temporary elimination of the Land Conservation Fund and reduction of the Natural Area Reserve Fund by HB 1741 will do great harm in the long run and be more costly to recover from than the \$9.6 million it will provide to balance the budget. Hawaii is an vital part of the planet's ecosystem and health and it is only now through education that the public is becoming aware how fragile and precious our situation is. Please ~~do not pass~~ this bill and eliminate one of the most important resources to preserve open space, agricultural land, forests, habitat, recreation areas, and public access. Our economy depends on them.

Thank you,

~~Andrea Barnes~~

Testimony of ~~Joshua Stanbro~~
Relating to H.B. 1741 Relating to Conveyance Tax
Senate Committee on Ways and Means
Monday, April 6 2009, 10:00AM, Room 211

Chair Kim and members of the Committee:

I am in strong ~~opposition~~ to HB 1741 as currently drafted.

The Legacy Land Act was carefully shaped and passed by this body in 2005, and has achieved remarkable results. It has increased protection of our precious watersheds and provides good, green jobs for our neighbors, it has built affordable housing for our friends and family to take shelter in during this economic downturn, and it has permanently protected lands that allow our culture to thrive in Waimea Valley, our youth to learn business skills at MA'O Farm in Wai'anae, and our Military to achieve their conservation goals at Hono'uli'uli and Moanalua Valley.

The Legacy Lands Act was and is an intelligent tool designed to attract federal and private matching dollars to improve our lives every day in Hawai'i. **HB 1741 would thoughtlessly eliminate millions of dollars** in matching funds that we badly need to keep flowing in to our local economy. I understand that these are unprecedented times, and the State Legislature and this Committee must find innovative ways to generate new funding streams and save on current costs. But eliminating programs that are leverage 2-3 times their value in outside funding are the very ones we want to protect and preserve.

I believe that this Committee must make a difficult but logical decision to raise our current Conveyance Tax rates paid by second home buyers and high-end purchasers. While no one ever wants to raise fees, this move will generate badly needed funding for the general fund, provide a greater incentive for home sales to local residents, and continue to fund critical affordable housing and conservation jobs and programs. Economists are in agreement that tax increases with smart spending during a recession are much more effective at stimulating the economy versus tax cuts and/or slashing government spending.

In addition, Hawai'i's current conveyance tax rates are relatively low in comparison to other states—so there is potential to increase funding from this source without creating a disproportionate burden on real estate sellers in our market.

I encourage this Committee to be thoughtful in its approach to HB 1741, and vote this short-sighted bill down. If the Committee finds that HB 1741 needs to be passed to address the budget shortfall, then I encourage you to increase the rates being charged high-end home sellers and sellers to second home buyers—and leave percentage allocations exactly as they stand currently under the law.

Mahalo for the opportunity to testify.

kim4 - Elizabeth

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, April 04, 2009 4:04 PM
To: WAM Testimony
Cc: dde@hawaii.rr.com
Subject: Testimony for HB1741 on 4/6/2009 10:00:00 AM

Testimony for WAM 4/6/2009 10:00:00 AM HB1741

Conference room: 211
Testifier position: ~~oppose~~
Testifier will be present: No
Submitted by: ~~Duane Erway~~
Organization: Individual
Address:
Phone: 808 324-4624
E-mail: dde@hawaii.rr.com
Submitted on: 4/4/2009

Comments:

HB 1741 will provide only \$9.6 million or so a year to help balance the budget, but it will result in irreversible harm, setting back critical programs and protections.

Duane

kim4 - Elizabeth

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, April 04, 2009 8:39 PM
To: WAM Testimony
Cc: icec002@hawaii.rr.com
Subject: Testimony for HB1741 on 4/6/2009 10:00:00 AM

Follow Up Flag: Follow up
Flag Status: Completed

Testimony for WAM 4/6/2009 10:00:00 AM HB1741

Conference room: 211
Testifier position: ~~oppose~~
Testifier will be present: No
Submitted by: ~~Charley Ice~~
Organization: Individual
Address: 98-633 Kilinoe St Aiea HI
Phone: 722-8837
E-mail: icec002@hawaii.rr.com
Submitted on: 4/4/2009

Comments:

I oppose the intent and effect of HB1741. While I can appreciate the desire to put everything on the table as a means of sorting through multiple ways to balance the budget, we must avoid stalking horses for the "shock doctrine" that are counter to the public interest, that is, backdoor efforts to reverse progress in the public interest under cover of "emergency". Without trying to characterize HB1741 this way, it is clear enough to me that this bill reverses important gains in the public interest.

We are at a time when we must concentrate on stimulating the economy, investing in the public interest, preparing for brighter days to come. Raiding funds provided for enhancing environmental quality and enabling affordable housing is not the way to do it. Rather than suspending the Land Conservation Fund and reducing the Conveyance Tax, which have been an important means for reclaiming public value from a lucrative real estate market that is gradually pricing local people out of their own land, I favor a temporary raise in general excise taxes, which are quite elastic, and a more progressive long term income tax structure, to best promote the broad public interest. It's time to end the class war being waged by the rich at the expense of the rest of us, and these applications of the Conveyance Tax have been small steps in the right direction.

Not only have the beneficiary funds been a recapture of public value, they have leveraged other funds to achieve overdue steps to protect Hawaii land and widen the scope of affordable housing. Matching funds like these enlarge the effect of the Conveyance Tax, while the contrary reduction proposed in this bill does not go very far in relieving the revenue shortfall. This is false economy, regressive economy, contrary to the public interest.

I am one of those who will be affected by an increase in taxes, but the small amounts it represents to me or to any other individual family are manageable dues to maintain essential functions of the popular will.

Please do not support HB1741.

TO: Committee on Ways and Means

DATE: Saturday, April 4, 2009

FROM: ~~Natalie Iwasa~~
1331 Lunalilo Home Road
Honolulu, HI 96825
808-395-3233

HEARING: Monday, April 6, 2009, 10 a.m.

SUBJECT: HB1741, HD1 - Conveyance Tax Distribution **strongly oppose**

Aloha Senators,

This bill would redirect funds that have been set aside for land conservation and low income rental housing to the general fund, i.e., it raids special funds. Given the decrease in real property sales in Hawaii, contributions to these funds have already been decreased.

In addition, as I understand it, these funds receive matching funds from the federal government. It does not make sense to put these funds into the general fund knowing that the state will lose out on millions of federal dollars.

This bill is bad fiscal policy. I urge you to vote "~~no~~"

kim4 - Elizabeth

From: Jonathan McRoberts [jmroberts@hawaiiantel.biz]
Sent: Sunday, April 05, 2009 2:53 PM
To: WAM Testimony
Subject: Testimony against HB1741

Follow Up Flag: Follow up
Flag Status: Completed

This letter is written in opposition to HB1741. The Ways and Means Committee is holding a meeting considering this bill @10 AM on 4/6/09.

I am ~~opposed~~ to the passage of HB1741 which will effectively eliminate funding for the Land Conservation Fund. The funding for the very valuable Land Conservation Fund, is already self regulating. In these poor economic times, the fund receives fewer dollars due to the drop in real estate activity. Also, in poor economic times, the reduced amount of dollars received goes further as the properties the Fund seeks to buy are available at reduced prices. Actually the legislature should be looking at ways to increase funding to take advantage of these lower prices.

These hard times demonstrate how important it is for Hawaii to remain an attractive tourist destination. To maintain our edge over other destinations, we need to preserve our natural beauty. A well funded Land Conservation Fund is an important ingredient in the efforts to keep Hawaii from becoming just another over developed tourist destination.

Finally, the Land Conservation Fund can often take advantage of Federal monies, so there is an important leverage factor at work. Hawaii can not afford to pass up the availability of matching Federal funding.

~~Jonathan McRoberts~~
Senior Vice President
Morgan Stanley

2214 Liliuokalani Street
Kilauea, HI 96754

home phone 808-828-0566
cell phone 808-652-6863

kim2 - Arline

From: Karen Shishido [karenskishido@yahoo.com]
Sent: Sunday, April 05, 2009 9:25 AM
To: WAM Testimony
Cc: All Senators
Subject: Testimony for HB 1741 HD1

Follow Up Flag: Follow up
Flag Status: Completed

Senate Ways and Means Committee
HB 1741, HD 1
Relating To The Conveyance Tax
Monday, April 6, 2009
10:00 am
Room 211

Dear Senator Kim and Members of the Senate Ways and Means Committee:

I am writing to express my strong ~~opposition~~ to HB 1741. Relating to the Conveyance Tax, and request that you not schedule this bill for a hearing.

I believe it is an ill-conceived approach to solving our budget crisis. The Land Conservation Fund leverages millions in additional funding from federal and private sources. DLNR is already one of the most underfunded state agencies in proportion to the acreage of lands that are under its stewardship. DLNR employees are stretched thin but are passionate and highly educated natural resource managers. Please do not cut these positions. To cut these positions would decimate key programs and undo many years of difficult work and successful partnership building. \$10 million a year is not worth the harm it will cause.

The Youth Conservation Corps, one of the most innovative and effective programs in the state to encourage the next generation of conservationists, would also stand to be decimated if this bill progresses. I am also deeply concerned that the Rental Housing Trust Fund will be depleted at a time when the most vulnerable members of our community need more sources of support.

Passage of the Legacy Lands Act was one of the most inspiring acts of grassroots citizen engagement that I have seen, bringing together a movement of people - faith groups, environmentalists, affordable housing advocates, and members of the public who simply recognize that it was a simple and highly effective way to protect lands and watersheds and help people. I personally would rather see the government cut my benefits (I too am a public servant) or have me help bridge the budget gap by other means, than lose the best of

what we value and cherish here – our lands, our irreplaceable natural environment.

Thank you for the opportunity to testify.

Sincerely,
Karen Shishido

1044 14th Avenue
Honolulu HI 96816

kim2 - Arline

From: diesellra@juno.com
Sent: Sunday, April 05, 2009 10:44 AM
To: WAM Testimony
Cc: diesellra@juno.com
Subject: oppose HB 1741 HD 1 relating to the conveyance tax, scheduled 4-6 at 10:00

Follow Up Flag: Follow up
Flag Status: Completed

Dear Senators,

I ~~oppose~~ HB 1741 HD 1 relating to the conveyance tax. Although the intent is to boost spending in the state, the result would be a financial loss to the people of Hawaii at this time when economic stimulus is sorely needed.

How does a tax cut cause less money to enter our local economy? When state funds are used to leverage much larger sums of federal and private monies the state's investment pays for itself and much more. This is smart governing and is fiscally responsible. Cutting funds that pump outside money into the local economy makes no sense and is irresponsible.

In fiscal year 2008, \$4.7 million in the Land Conservation Fund leveraged over \$14.3 million in ADDITIONAL matching private and federal funds.

In fiscal year 2008, \$9.6 million in the Natural Area Reserve Fund leveraged an additional \$19.2 million in ADDITIONAL matching private and federal funds.

The Rental Housing Trust Fund leverages additional non-state funds for affordable rental housing programs as well, stretching scarce funds to do even more good.

It is smart fiscally to keep these money making programs funded and it is pono to fund the protection of Hawaii's land and people. Our wild lands and watersheds cannot protect themselves. Our low income families need support. It is right for us to defend the defenseless.

Please do the right thing and vote against HB 1741.

Mahalo,

~~Larry Abbott~~

kim2 - Arline

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, April 05, 2009 12:17 PM
To: WAM Testimony
Cc: wtam@ahfi.com
Subject: Testimony for HB1741 on 4/6/2009 10:00:00 AM

Follow Up Flag: Follow up
Flag Status: Completed

Testimony for WAM 4/6/2009 10:00:00 AM HB1741

Conference room: 211
Testifier position: ~~Oppose~~
Testifier will be present: No
Submitted by: ~~William Tam~~
Organization: Individual
Address: 46-270 Nahewai St. Kaneohe, Hawaii 96744
Phone: 235-8089
E-mail: wtam@ahfi.com
Submitted on: 4/5/2009

Comments:

HB 1741, HD1 is not well thought out. It should be defeated. Short term budget transfers from the Land Conservation Fund will lose federal and private matching funds, undermine and setback ongoing work, and lose non-state funds for rental housing. These funds together provide more stimulus to high priority long term programs than the immediate expenditure of a portion of the funds for stop-gap measures. The \$9.6 million that HB 1741 might provide would lose an estimated \$33.5 million in matching funds. HB 1741 is simply bad math. Do not hobble proven substantive programs and a dedicated source of funding in the name of returning a portion of revenue to the General Fund. It is akin to eating your seed corn because it happens to be available. There will be no planting next year. Please reject HB1741.

HB1741
RELATING TO CONVEYANCE TAX
Senate Committee on Ways and Means

Date: April 6, 2009
Time: 10am
Room:211

Members of the Senate,

My name is ~~Hina Aiu~~ **Hina Aiu**. I am a young Native Hawaiian woman of 23 years who is interested in merging science and my cultural heritage for conservation efforts in Hawaii for the sake of preserving our land and natural resources while maintaining an understanding of the cultural significance of these precious assets.

I ~~oppose~~ **oppose** **HB 1741**, which temporarily suspends the distribution of a portion of the conveyance tax to the Legacy Land Conservation Fund which has aided in the acquisition and preservation of land for future generations of Hawaii.

I understand the pressures you are under to cut cost especially given our country's current economic climate. However, passing this measure would bypass once in a lifetime opportunities to acquire land, at very reasonable prices, important for protecting Hawaii's biodiversity and perpetuating our cultural heritage. Furthermore, doing so will also short-change our children and those of us, the youth of Hawaii, who are now emerging to take on the responsibility of stewarding the aina.

Suspending LLCF will adversely affect the functioning of valuable programs that will educate our youth on the importance of protecting Hawaii's environment and reduce the availability of funds for internships and entry-level job opportunities that will train the next generation of leaders in Hawaii's conservation community.

Thank you for the opportunity to testify.

Sincerely,
Tina Aiu