

Honolulu, Hawaii

Ag: 126 , 2010

RE: H.B. No. 1015  
H.D. 1  
S.D. 2  
C.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 1015, H.D. 1, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO OBLIGATIONS OF THE DEPARTMENT OF HAWAIIAN HOME LANDS TRUST FUND,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to establish a two-year pilot project to enable the Department of Hawaiian Home Lands (DHHL) to begin housing projects without having the full cost of the projects on hand at the start of the housing project, by authorizing DHHL to incur obligations in excess of the moneys in the DHHL trust fund subject to certain conditions.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that the provisions authorizing DHHL to incur obligations in excess of the moneys in the fund applies to



any trust fund established under the Hawaiian Homes Commission Act, 1920, as amended;

- (2) Providing that no suit for damages may be brought against the State or its agencies and officers, for allowing or refusing to allow expenditures in excess of moneys in the trust fund;
- (3) Directing DHHL to establish a process for consulting with beneficiaries prior to awarding leases for commercial and multipurpose projects;
- (4) Authorizing one-time extensions of commercial and multipurpose project leases of up to 20 years to make improvements to the property;
- (5) Setting aside 15 percent of all lease revenues from extensions of commercial and multipurpose project leases to be deposited into the Native Hawaiian Rehabilitation Trust Fund under section 213(i) of the Hawaiian Homes Commission Act, 1920, as amended (HHCA), to be used for the benefit of native Hawaiian beneficiaries, beneficiary-controlled organizations, and homestead community associations;
- (6) Establishing reporting requirements regarding leases of Hawaiian Home Lands for commercial and multipurpose projects;
- (7) Establishing reporting requirements regarding the expenditures of the Native Hawaiian Rehabilitation Trust Fund that are derived from the amounts deposited from the commercial and multipurpose project lease extensions;
- (8) Directing all lease revenues from commercial and multipurpose project leases to which the provisions of this bill applies, besides those revenues to be deposited into the Native Hawaiian Rehabilitation Fund, to be deposited into the Hawaiian Home Lands Trust Fund established under section 213.6, HHCA;
- (9) Changing the effective date to July 1, 2010; and



- (10) Making technical, nonsubstantive amendments for style, clarity, and consistency, including updating the report and repeal dates for the provisions authorizing DHHL to incur obligations in excess of the moneys in its trust funds.

Your Committee on Conference finds that the Legislature should have an opportunity to evaluate the funds deposited into the Native Hawaiian Rehabilitation Fund under this bill, including how the moneys are being expended. Accordingly, it is the intent of your Committee on Conference that the Legislature examine these issues through a resolution at the appropriate time to determine whether any changes should be made to the provisions requiring DHHL to deposit 15 percent of all revenues generated from these leases from the time lease extensions are granted, into the Native Hawaiian Rehabilitation Fund.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1015, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1015, H.D. 1, S.D. 2, C.D. 1.


Respectfully submitted on behalf of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE

  
CLAYTON HEE, Chair

  
MELE CARROLL, Co-Chair

  
DONNA MERCADO KIM, Co-Chair

  
KEN ITO, Co-Chair

  
NORMAN SAKAMOTO, Co-Chair

  
MARCUS R. OSHIRO, Co-Chair



