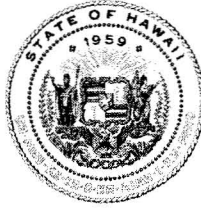
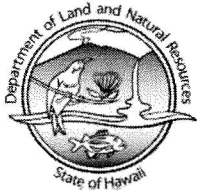


LINDA LINGLE
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
LAURA H. THIELEN
Chairperson**

**Before the House Committee on
FINANCE**

**Wednesday, February 17, 2010
1:30 P M
State Capitol, Conference Room 308**

**In consideration of
HOUSE BILL 2885
RELATING TO THE CONVEYANCE TAX**

House Bill 2885 would suspend the distribution of portions of the Conveyance Tax to the Land Conservation Fund (LCF) and the Rental Housing Trust Fund (RHTF) and reduce the portion transmitted to Natural Area Reserve Fund (NARF), through the end of Fiscal Year (FY) 2012, 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, recognizes the need to access 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.

Overall the Department's general fund has been cut 32% over the past 3 years, special fund revenues have declined 35% over the past 3 years, and the Department has lost 80 positions in the recent Reduction-in-Force this past year. The programs funded through this revenue source have been reduced by 50% in the past two years. Any further diversion of revenue sources will likely result in loss of staff.

Specific to this measure, because of the decrease in real estate activity, the Conveyance Tax is projected to have a much reduced level of funding in FY 2011 and FY 2012 than has been available over the past few years. Revenue in FY 2007 was \$48 million, \$36 million in FY 2008, \$24 million in 2009 with a similar \$24 million projection in FY 2010, FY 2011, and FY2012. 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.

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

House Bill 2885 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 (YCC) 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.

House Bill 2885 proposes a reduction in portion of the Conveyance Tax going to NARF from 20% to 10%. This would represent a projected reduction in annual revenue from \$6 million to \$3 million dollars for FY 2011 and FY 2012. At this reduced level of funding, the Department would be only able to support the civil service positions funded by conveyance tax revenue (42.5 FTE, ~\$2,250,000), central service fees for the special fund assessment (~ \$210,000) and remaining \$540,000 only a portion of the NAPP and FSP multi-year contracts.

Over **200** conservation workers staff County Invasive Species Committees, Watershed Partnership field crews, Natural Area Reserve and YCC field crews, forest reserve management support staff, and endangered species restoration field crews. Most will be laid-off unless millions of dollars in alternate funding is found. If revenues decline below projected amounts, additional civil service staff would be layed-off. The vacancies/layoffs will reduce the Departments capacity to implement these vital programs. Additionally, the Department would not be able to maintain existing long term contract agreements with private landowners under the Natural Area Partnership Program, the Forest Stewardship Program and the Conservation Reserve Enhancement Program and support all the other environmental programs described above.

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. The revenue going into the LCF has declined 43% over the past 4 years and estimated amounts currently going into the fund will allow the Legacy Land Conservation Program to continue at a scaled back level for FY 10 and FY 11. The Department approach is to continue this worthwhile program to acquire important conservation, agricultural, cultural, recreational and open space lands at a scaled back level, only funding those projects that are ready to close.

In FY 2009 alone, with \$3.3 million in State funds, the LLCP was able to secure over \$8.1 million in matching funds, over \$2 federal dollars for every state dollar spent. Total estimated Conveyance Tax annual revenues to the LLCP in FY 2010, FY 2011 and FY 2012 are \$3.0 million. Loss 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 implementation 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 (~\$12M annual average in matching funds) for acquisitions. The State will miss a unique opportunity during a time when property values are low to acquire & protect undeveloped lands for generations to come along with the associated economic and health benefits (e.g., cultural and natural tourism, water supply, food supply, ecosystem services). For additional information on the LLCP, please link to <http://hawaii.gov/dlnr/dofaw/llcp>.

The Department realizes the difficult decisions that need to be made to balance the general fund budget deficit. Passing House Bill 2885 would provide an estimated \$10.8 million dollars in support for the general fund, but with dramatic reductions in affordable housing and environmental programs with both short and long lasting effects.

The Department would be happy to work with this Committee on any ideas or scenarios on how to reduce costs in our programs and try and meet the needs of the varied environmental programs that are our responsibility to implement. However, the Department strongly feels it is necessary to maintain these core natural resource stewardship programs at a reduced level so that they can be resumed when the economy recovers and not have the additionally costly need and delay to rebuild dismantled programs in the future – a process that would take 10 years if at all. These programs protect and maintain our natural and cultural resources that support our economy, lifestyle and future we all enjoy and need.

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 in the attached summary.

Summary of Impacts of House Bill 2885 Suspension of Funding for Department of Land and Natural Resources Conservation Programs

Watershed partnerships are voluntary alliances of over 65 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 over 2 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, \$1.0 million in FY 2010 to \$0 in FY 2011 and FY 2012, 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 40 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, \$1 million in FY 2010 to \$0 in FY 2011 and FY 2012. Compounded by a FY10 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 2885 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 2009 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 \$200,000 to meet the federal match requirements, would lose the 25 existing Americorp interns and 170 summer interns that are provided to programs unless alternate funding is secured.

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 2885, 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 2885, 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 26 temporary-hire support and field crew workers and operating funds unless alternate sources of funding are secured. 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 6 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/Considerations:

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.

Linda Lingle
GOVERNOR



KAREN SEDDON
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO

Statement of

Karen Seddon

Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

February 17, 2010, 1:30 p.m.
Room 308, State Capitol

In consideration of

H.B. 2885

RELATING TO THE CONVEYANCE TAX.

The HHFDC ***strongly opposes*** H.B. 2885. The portion of conveyance tax funds allocated to the Rental Housing Trust Fund (RHTF), currently 25 percent through June 30, 2012, is the RHTF's only dedicated funding source. The RHTF provides "equity gap" low-interest loans or grants to qualified owners and developers constructing affordable rental housing units. Funds may be used to provide a loan for the development, pre-development, construction, acquisition, preservation, and substantial rehabilitation of rental housing units. Permitted uses of the fund may include, but are not limited to: planning; design; land acquisition; costs of options; agreements of sale; downpayments; equity financing; or other housing development services or activities approved by the HHFDC. Most RHTF awards are made to projects affordable to families at or below 60 percent of the area median income.

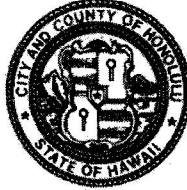
The RHTF is a popular incentive for affordable rental housing development. The RHTF is currently oversubscribed, with project commitments exceeding the available cash balance of the fund. As of January 31, 2010, the available cash balance in the Rental Housing Trust Fund was \$46,410,289, against which there is \$54,654,002 in outstanding project commitments for 8 affordable rental projects, subject to the availability of funds. That means there is a funding shortfall of \$8,043,713 for actual projects meeting or exceeding program eligibility criteria and selected in a competitive funding round.

As of December 1, 2009, the RHTF had received approximately \$4,000,000 total from conveyance tax revenues in Fiscal Year 2010. We therefore estimate that the RHTF will receive approximately \$10,000,000 from the conveyance tax this fiscal year. If H.B. 2885 proceeds, we will not be able to finance any additional affordable rental housing projects for the next two fiscal years, despite the high demand and short supply of such units for low-income families statewide.

Thank you for the opportunity to testify.

DEPARTMENT OF COMMUNITY SERVICES
CITY AND COUNTY OF HONOLULU

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



MUFI HANNEMANN
MAYOR

DEBORAH KIM MORIKAWA
DIRECTOR

ERNEST Y. MARTIN
DEPUTY DIRECTOR

February 16, 2010

The Honorable Marcus R. Oshiro, Chair,
and Members of the Committee on Finance
State Capitol
Honolulu, Hawaii 96813

Dear Chair Oshiro and Members:

Subject: House Bill 2885

House Bill 2885, among other items, suspends the distribution of a portion of the conveyance tax to the Rental Housing Trust Fund (RHTF) from July 1, 2010 through June 30, 2012, stating that the RHTF has a balance that is sufficient for its purposes. The Department of Community Services (DCS) strongly opposes House Bill 2885.

It is fiscally prudent to continue to distribute a portion of the conveyance tax to the RHTF which is a principle source of financing for affordable rental projects in the State of Hawaii and is typically highly leveraged with other funding sources. The RHTF, which is funded solely through the conveyance tax, is often a critical component of financing that is needed by developers of affordable housing in order to have a feasible project. Without the development of such projects, many of our senior citizens and families would be forced to double-up with relatives. The worst case scenario would be homelessness which places a tremendous financial strain on the public support system. Although temporarily suspending the funding of the RHTF may save the State money in the short-run, the long-term consequences would be a greater cost burden to the State and an affordable housing crisis that is even worse compared to the present situation. Instead, the State should be looking at incentives and/or alternative financing tools to stimulate the development of affordable housing which, in turn, will provide direly needed jobs for our construction industry. We further note that there are several projects in the City and County of Honolulu which will be applying for RHTF assistance in 2010.

Thank you for the opportunity to provide this testimony. We respectfully request your filing of House Bill 2885.

Sincerely,


Deborah Kim Morikawa
Director

DKM:dw



HB 2885
RELATING TO THE CONVEYANCE TAX
House Committee on Finance

February 17, 2010

1:30 pm

Room: 308

The Office of Hawaiian Affairs (OHA) **OPPOSES** HB 2885, 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 the Native Hawaiian community, 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 would have serious concerns with any proposal to suspend a program as valuable as this. LLCF 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.

Therefore, OHA urges the committee to HOLD HB 2885. Thank you for this opportunity to testify.

CHARMAINE TAVARES
Mayor



JEFFREY K. ENG
Director
ERIC H. YAMASHIGE, P.E., L.S.
Deputy Director

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

February 16, 2010

VIA FAX AND MAIL

Honorable Marcus R. Oshiro, Chair
House Committee on Finance
Hawaii State Capitol, Room 306
415 South Beretania Street
Honolulu, HI 96813

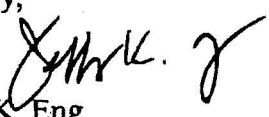
The Honorable Mr. Oshiro:

Re: Testimony of the Maui County Department of Water Supply
Opposing HB 2885 Relating to the Conveyance Tax
Committee of Finance Hearing, February 17, 2010 at 1:30 PM

The Maui County Department of Water Supply asks your consideration to not suspend the distribution of half the portion of the conveyance tax currently supporting the land conservation fund and the natural area reserve fund.

We are concerned that further cutting the support from the conveyance tax to these funds will not leave adequate funding for the programs that are successfully at work in Maui County as well as neighboring islands. The watershed partnership organizations on Maui and Molokai and the Maui Invasive Species Committee are already suffering reduced funding from federal and county programs. The proposed cut of the conveyance tax will likely strip the ability for these programs to match other grants. Keep in mind that the critical work of these programs goes beyond land conservation. They protect our islands' most precious natural resource: clean fresh water. A decrease in funding now puts our environment, water source and economy further at risk and will increase our cost in the future to recover from such a setback. Please keep the conveyance tax distributions intact to preserve the progress already achieved in protecting our vital watershed lands..

Sincerely,


Jeffrey K. Eng
Director
emb

"By Water All Things Find Life"



TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: CONVEYANCE, Amend disposition

BILL NUMBER: HB 2885

INTRODUCED BY: Say

BRIEF SUMMARY: Amends HRS section 247-7 to temporarily suspend, between July 1, 2010 and June 30, 2012, the earmarking of: (1) 10% of conveyance tax revenues into the land conservation fund; and (2) 30% of conveyance tax revenues into the rental housing trust fund. Reduces the earmarking of conveyance tax revenues to the natural area reserve fund from 20% to 10% from July 1, 2010.

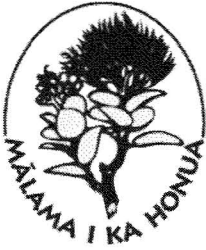
EFFECTIVE DATE: July 1, 2010

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

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

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

Digested 2/16/10



Sierra Club Hawai'i Chapter

PO Box 2577, Honolulu, HI 96803

808.538.6616 hawaii.chapter@sierraclub.org

HOUSE COMMITTEE ON FINANCE

February 17, 2010, 1:30 P.M.

(Testimony is 2 pages long)

TESTIMONY IN STRONG OPPOSITION TO HB 2885

Aloha Chair Oshiro and Members of the Committee:

The Hawai'i Chapter of the Sierra Club strongly opposes HB 2885, which would drastically reduce or eliminate funding for most of the State's conservation efforts.

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

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

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

This measure would take a tremendous step backwards in our protection of natural areas. Disconnecting the tie between development and wilderness protection -- particularly when the programs protecting our native habitat are already experiencing strong budgetary reductions --

would cripple conservation efforts. This adversely impacts efforts to protect federally endangered plants and animals and our long-term supply of drinking water.

HB 2885 will also have a significant, adverse economic impact. A majority of the money invested in the NARs program is matched with federal or private funds. Without the state funding, these matching funds will no longer enter the state. This will result in further termination of specialized employees, thus increasing the state unemployment level and creating the possibility these position will not be filled with qualified individuals in the future.

This measure proposes to eliminate the proverbial “ounce of prevention.” Please don’t leave it to future legislators to pay for a pound of cure.

Please hold HB 2885. Mahalo for the opportunity to testify.



Testimony of the Maui Invasive Species Committee

Before the Committee on Finance

HB 2885 – Relating to the Conveyance Tax

Conference Room 308

February 17, 2010, 1:30PM

The Maui Invasive Species Committee (MISC) opposes H.B. 2885.

H.B. 2885 proposes to reduce the percentage of funds from the conveyance tax to the Natural Area Reserve Fund and suspend distribution of funds to the Land Conservation Fund. If passed, this bill will have devastating impacts on the state's efforts to protect our natural resources. The funding loss will impact the State's Natural Area Reserves, conservation work done by private landowners in partnership with the State, the work of the Watershed Partnerships, and the work of the Invasive Species Committees. We also will lose opportunities to preserve in perpetuity important conservation lands.

The Maui Invasive Species Committee fully appreciates that the economic challenge faced by the State is extraordinary. MISC and other conservation projects have already suffered major funding cuts. MISC lost 57% of its funding last year. Other Invasive Species Committees and Watershed Partnerships experienced similar or greater reductions. These cuts have ramifications beyond the direct reduction as organizations lose the ability to secure federal or county funding without matching state funds. Reduced staffing and cost-cutting measures have allowed baseline work to continue this year, but another major cut will put the viability of these innovative and effective partnerships at risk. More importantly, massive reductions in State funding for conservation work puts the long-term health of our environment at risk.

We request that you not reduce the distribution to the Natural Area Reserve Fund or suspend the distribution to the Land Conservation Fund. Thank you.



The Nature Conservancy
Hawai'i Program
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Testimony of The Nature Conservancy of Hawai'i
Opposing H.B. 2885 Relating to the Conveyance Tax
House Committee on Finance
February 17, 2010, 1:30PM, Room 308

The Nature Conservancy opposes H.B. 2885. Rather than the drastic percentage reductions proposed in the bill that would cripple or eliminate programs, we suggest the Committee consider a two-year cap at a level that would allow conservation and affordable housing programs to survive while helping to contribute to balancing the State budget:

"§247-7 **Disposition of taxes.** All taxes collected under this chapter shall be paid into the state treasury to the credit of the general fund of the State, to be used and expended for the purposes for which the general fund was created and exists by law; provided that of the taxes collected each fiscal year:

(1) Ten per cent, but not to exceed \$ _____ in each fiscal year from July 1, 2010 until June 30, 2012, shall be paid into the land conservation fund established pursuant to section 173A-5;

(2) Twenty-five per cent, but not to exceed \$ _____ in each fiscal year from July 1, ~~2009~~, 2010 until June 30, 2012, and thirty per cent in each fiscal year [~~thereafter~~] after June 30, 2012 shall be paid into the rental housing trust fund established by section 201H-202; and

(3) Twenty per cent, but not to exceed \$ _____ in each fiscal year from July 1, ~~2009~~, 2010 until June 30, 2012, and twenty-five per cent in each fiscal year [~~thereafter~~] after June 30, 2012 shall be paid into the natural area reserve fund established by section 195-9. . . ."

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 experiencing 50-60% cuts** in State funding. These cuts are happening regardless of H.B. 2885 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 current and anticipated funding and staff cuts to NAR Fund and Land Conservation Fund programs.

The partnerships that receive money from the NAR Fund and manage our natural resources have already stopped filling open positions, are planning to lay off staff in the coming months, and have pulled back on protection efforts. Further cuts—like H.B. 2885—and the resulting loss of experienced staff will render many natural resource protection and invasive species programs either inoperable or severely diminished, leaving our watersheds and communities vulnerable to threats which do not recognize recessions.

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

Attachments

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CONVEYANCE TAX TRANSFERS FOR FY 2010

| Month | Total Monthly Conveyance Tax Collections to General Fund - 100% | DLNR S-10-342-C NARS Trf In - 20% | DLNR S-10-317-C Land Conservation Trf In - 10% | HHFDC T-10-930-B Rental Housing Trust Trf In - 25% | TAXATION G-00-000-C General Fund Balance Remaining - 45% |
|---------------------|--|--|---|---|---|
| July | \$1,167,521.21 | \$233,504.24 | \$116,752.12 | \$291,880.30 | \$525,384.55 |
| August | \$2,612,357.55 | \$522,471.51 | \$261,235.76 | \$653,089.39 | \$1,175,560.89 |
| September | \$2,028,028.74 | \$405,605.75 | \$202,802.87 | \$507,007.19 | \$912,612.93 |
| October | \$3,135,822.97 | \$627,164.59 | \$313,582.30 | \$783,955.74 | \$1,411,120.34 |
| November | \$4,566,407.71 | \$913,281.54 | \$456,640.77 | \$1,141,601.93 | \$2,054,883.47 |
| December | \$2,870,328.08 | \$574,065.62 | \$287,032.81 | \$717,582.02 | \$1,291,647.63 |
| January | | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| February | | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| March | | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| April | | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| May | | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| June | | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Grand Totals | \$16,380,466.26 | \$3,276,093.25 | \$1,638,046.63 | \$4,095,116.57 | \$7,371,209.81 |

| TOTAL CONVEY TX TO GEN FUND | |
|-----------------------------|---------------|
| FY09 | \$ 23,787,487 |
| FY08 | \$ 38,408,022 |
| 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 | \$1,486,547.45 | \$371,636.86 | \$148,654.75 | \$445,964.24 | \$520,291.60 |
| March | \$1,644,929.69 | \$411,232.42 | \$164,492.97 | \$493,478.91 | \$575,725.39 |
| April | \$1,746,570.85 | \$436,642.71 | \$174,657.09 | \$523,971.26 | \$611,299.79 |
| May | \$1,644,449.10 | \$411,112.27 | \$164,444.91 | \$493,334.73 | \$575,557.19 |
| June | \$3,911,827.76 | \$977,956.94 | \$391,182.77 | \$1,173,548.32 | \$1,369,139.73 |
| Grand Totals | \$23,787,486.79 | \$5,946,871.70 | \$2,378,748.69 | \$7,136,246.05 | \$8,325,620.35 |

| TOTAL CONVEY TX TO GEN FUND | |
|-----------------------------|---------------|
| FY08 | \$ 38,408,022 |
| FY07 | \$ 48,328,508 |
| FY06 | \$ 56,646,115 |
| FY05 | \$ 24,318,038 |
| FY04 | \$ 18,432,214 |

**Programs Supported by the DLNR
Natural Area Reserve Fund and
Land Conservation Fund**

| | FY09 NAR Funding | FY10 NAR Funding | FY11 Expected 50% Reduction in NAR Funds (HB 2885) | FY09 # of Staff Supported with NAR Funds | FY10 # of Staff Supported with NAR Funds | FY11 # of Staff Supported with NAR Funds (HB 2885) |
|---|-----------------------------|-----------------------------|---|---|---|---|
| HAWAII ASSOCIATION OF WATERSHED PARTNERSHIPS | | | | | | |
| Kauai Watershed Alliance | \$294,190 | \$125,000 | \$62,500 | 14 | 3 | 0 |
| Koolau Mountains Watershed Partnership | \$320,000 | \$100,000 | \$50,000 | 8 | 5 | 1 |
| East Molokai Watershed Partnership | \$124,000 | \$110,000 | \$55,000 | 2 | 2 | 1 |
| Lanai Forest & Watershed Partnership | \$75,000 | \$125,000 | \$62,500 | 1 | 1.5 | |
| W. Maui Mountains Watershed Partnership | \$325,620 | \$117,000 | \$58,500 | 5 | 4 | 3 |
| E. Maui Watershed Partnership | \$525,474 | \$100,000 | \$50,000 | 7 | 1 | 0 |
| Leeward Haleakala Watershed Restoration Partnership | \$305,405 | \$100,000 | \$50,000 | 6 | 4 | 2 |
| Kohala Watershed Partnership | \$235,500 | \$100,482 | \$50,241 | 4 | 1.2 | 0.6 |
| Three Mountain Alliance | \$448,320 | \$165,000 | \$82,500 | 6 | 4.5 | 2.5 |
| HAWP Subtotal | \$2,653,509 | \$1,042,482 | \$521,241 | 52 | 26.2 | 10.1 |
| INVASIVE SPECIES COMMITTEES | | | | | | |
| Big Island Invasive Species Committee (BIISC) | \$397,300 | \$100,000 | \$100,000 | 6 | 2 | 2 |
| Kauai Invasive Species Committee (KISC) | \$281,325 | \$90,000 | \$90,000 | 5 | 2 | 2 |
| Maui Invasive Species Committee (MISC) | \$323,025 | \$200,000 | \$200,000 | 7 | 4 | 4 |
| Oahu Invasive Species Committee (OISC) | \$309,900 | \$190,000 | \$109,000 | 6 | 4 | 2 |
| ISCs Subtotal | \$1,311,550 | \$580,000 | \$499,000 | 24 | 12 | 10 |
| HAWAII INVASIVE SPECIES COUNCIL | | | | | | |
| Aquatic Invasive Species | \$344,700 | \$280,000 | \$280,000 | 6 | 5 | 5 |
| Invasive Ants | \$30,000 | \$40,000 | \$0 | 1 | 1 | 0 |
| Invasive Species Research Grants | \$375,000 | \$0 | \$0 | 5 | 0 | 0 |
| Weed Risk Assessment | \$73,275 | \$60,000 | \$60,000 | 2 | 1 | 1 |
| Invasive Species Outreach | \$234,150 | \$130,000 | \$130,000 | 4 | 1 | 1 |
| West Nile Virus Detection & Suppression | \$224,475 | \$0 | \$0 | 2 | 0 | 0 |
| HISC Support | \$101,250 | \$114,200 | \$113,520 | 2 | 1 | 1 |
| HDOA Inspectors | \$0 | \$600,000 | \$0 | 0 | 22 | 0 |
| HISC Subtotal | \$1,382,850 | \$1,224,200 | \$583,520 | 22 | 31 | 8 |
| NATURAL AREA PARTNERSHIP PROGRAM | | | | | | |
| Waikamoi Preserve | \$220,000 | \$220,000 | \$110,000 | 4.5 | 4.5 | 0.5 |
| Kapunakea Preserve | \$125,000 | \$125,000 | \$62,500 | 2.5 | 2.5 | 0 |
| Kanepuu Preserve | \$16,667 | \$16,667 | \$8,334 | 0.5 | 0.5 | 0 |
| Kamakou Preserve | \$218,737 | \$218,737 | \$109,369 | 2 | 2 | 0.5 |
| Pelekunu Preserve | \$96,289 | \$96,289 | \$48,145 | 0.6 | 0.6 | 0.35 |
| Moomomi Preserve | \$52,455 | \$52,455 | \$26,228 | 0.6 | 0.6 | 0.35 |
| Kau Preserve | \$131,338 | \$131,338 | \$65,669 | 2.5 | 2.5 | 1.2 |
| Puu Kukui Preserve | \$281,216 | \$292,464 | \$146,232 | 5 | 4 | 2 |
| NAPP Subtotal | \$796,702 | \$807,950 | \$403,975 | 11.2 | 10.2 | 4.4 |

**Programs Supported by the DLNR
Natural Area Reserve Fund and
Land Conservation Fund**

| | FY09 NAR Funding | FY10 NAR Funding | FY11 Expected 50% Reduction in NAR Funds (HB 2885) | FY09 # of Staff Supported with NAR Funds | FY10 # of Staff Supported with NAR Funds | FY11 # of Staff Supported with NAR Funds (HB 2885) |
|--|-----------------------------|-----------------------------|---|---|---|---|
| FORESTRY / FOREST STEWARDSHIP | | | | | | |
| Forest Stewardship | \$453,516 | \$453,516 | \$226,758 | 0.5 | 0.5 | 0.5 |
| Watershed Management in Forest Reserves | \$1,000,000 | \$500,000 | \$250,000 | 1 | 1 | 1 |
| Conservation Reserve Enhancement Program | \$300,000 | \$120,000 | \$60,000 | 1 | 1 | 1 |
| DLNR Invasive Species Program Operations | \$244,898 | \$56,327 | \$28,163 | 4 | 4 | 2 |
| T&E Species Management | \$400,000 | \$232,000 | \$116,000 | 5.5 | 5.5 | 3.0 |
| FORESTRY / FS Subtotal | \$2,398,414 | \$1,361,843 | \$680,921 | 12 | 12 | 7.5 |
| NATURAL AREA RESERVES SYSTEM | \$3,477,838 | \$1,800,000 | \$1,250,000 | 39 | 28 | 16 |
| YOUTH CONSERVATION CORP | \$474,588 | \$0 | \$100,000 | 4 | 0 | 2 |
| LEGACY LAND CONSERVATION PROGRAM | \$2,400,000 | \$3,000,000 | \$0 | 2 | 2 | 0 |
| GRAND TOTAL | \$14,895,451 | \$9,816,475 | \$4,038,657 | 166.5 | 121.4 | 58.0 |

O'ahu Land Trust

Bringing People and Places Together for Generations to Come

212 Merchant Street, Suite 320 * Honolulu * Hawai'i * 96813

February 17, 2010

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To: Honorable Marcus K. Oshiro, Chair
House Committee on Finance

Re: Opposition to HB 2885: RELATING TO THE CONVEYANCE TAX

Aloha. My name is Cynthia Rezendes, and I am speaking on behalf of the O'ahu Land Trust (OLT). We respectfully **oppose** this bill which seeks to reduce or suspend funding for the Natural Area Reserve Fund (NARF), Legacy Land Conservation Fund (LLCF), and Rental Housing Trust Fund for at least two years.

The Legislature created the Legacy Lands Act in 2005, with foresight to the future, by supporting the preservation of important agriculture, conservation, cultural and historic lands. This Act established the Legacy Land Conservation Fund (LLCF) to meet those goals. We encourage you to continue to hold to those tenants today.

Through discriminating selection of projects, the LLCF funds expended by the State have brought in over two and a half times their value of monies from federal and private funders, thereby preserving valuable agricultural lands (Ma'ō Farms in Lualualei, O'ahu), cultural/natural resource/endangered species/coastal areas (Kawa Bay in Ka'u, Hawai'i and Lapakahi, Kohala, Hawai'i) and watershed areas (Honouliuli, O'ahu).

In the meantime, the LLCF has already been submitted to over a fifty percent reduction in revenues due to the decline in the real estate market and the effects on the conveyance taxes due to that decline.

It is due to this economic impact that this is the most advantageous time for the State to continue to support the LLCF. As real estate prices decline, more unique and potentially once-in-a-lifetime opportunities may become available. Without the funding from the LLCF these opportunities may be lost for future generations.

It has been well recognized by many respected organizations (i.e. Hawaii Tourism Authority, chambers of commerce, etc.) that Hawai'i is unique because of our cultural and natural resources. This is why people come to visit. This is our future.

Please **hold** HB2885.

Sincerely,

Cynthia K.L. Rezendes
Executive Director

(808) 524-8564





Conservation Council for Hawai'i

Testimony Submitted to the House Finance Committee

HB 2885 Relating to the Conveyance Tax

Hearing: Wednesday, February 17, 2010 1:30 pm Room 308

Opposition to HB 2885

Aloha. Conservation Council for Hawai'i strongly opposes HB 2885 relating to the conveyance tax. We oppose HB 2885 and any cuts or reductions to the three special funds that are supported by the conveyance tax: the Natural Area Reserve Fund, Land Conservation Fund, and Rental Housing Trust Fund.

These three funds support very important programs for the people of Hawai'i, including the Natural Area Reserves (which are mostly ceded land); watershed protection; protection of habitat for threatened and endangered Hawaiian species; the Youth Conservation Corps, public-private partnerships on private land; the purchase of land for open space, beach access, cultural sites, recreation, and agriculture; and affordable rental housing.

Funding for these funds has already been reduced by 50% because of the depressed real estate market. Furthermore, in 2009, to help balance the budget, the state legislature reduced the amount of the conveyance tax going into the Natural Area Reserve Fund and the Rental Housing Trust Fund. We urge you not to make any more cuts to the conveyance tax funds. Please oppose HB 2885. Mahalo nui loa for the opportunity to testify.

Sincerely,

Marjorie Ziegler



Hawai'i's Voice for Wildlife – *Ko Leo Hawai'i no na holoholona lohiu*

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CATHOLIC CHARITIES HAWAII

TESTIMONY- OPPOSE – HB 2885: RELATING TO CONVEYANCE TAX

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

FROM: Betty Lou Larson, Housing Programs Director, Catholic Charities Hawai'i

HEARING: Wednesday, 2/17/10, 1:30 pm; CR 308

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

Thank you for the opportunity to provide testimony on this housing bill. I am Betty Lou Larson, the Housing Programs Director at Catholic Charities Hawai'i. We are also members of Partners in Care. Catholic Charities Hawai'i opposes this bill which would suspend distribution of the conveyance tax allocated to the Rental Housing Trust Fund for 2 years (FY 11 and FY 12).

The elimination of the allocation to the Rental Housing Trust Fund (RHTF) for two years would severely impact the ability of the State to produce any new affordable rental housing. It is our understanding that Governor Lingle plans to lapse the \$30 Million that the Legislature allocated last year to the RHTF. Good projects that are "ready to go" may not be funded. New projects that applied in January for approximately \$31 Million to produce affordable rentals will be put on hold with the loss of funding. The loss of hundreds of proposed affordable housing units will be devastating.

The RHTF has a proven track record of utilizing all its funding to produce housing. Since 2002, **1,814 affordable housing units** have been created. 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 to address the additional needs as workers lose jobs, have hours reduced, or face foreclosures. The production of affordable units cannot fill the demand. 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 Hawai'i gets hundreds of calls each month requesting 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 also what makes Hawaii a special place. The conveyance tax funds leverage many more millions of dollars of private and federal funding to ensure Hawaii remains a special place.

We urge you to oppose this bill and to support these critical needs important to so many of our state's residents.



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

www.CatholicCharitiesHawaii.org



THE
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HAWAII

**THE TRUST FOR PUBLIC LAND'S TESTIMONY
IN OPPOSITION TO HOUSE BILL NO. 2558**

House Committee on Finance

Wednesday, February 17, 2010, 1:30 p.m., Rm. 308

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

The Trust for Public Land's (TPL's) Hawaiian Islands Program was one of the many conservation organizations that supported the passage of the Legacy Lands Act in 2005, which established the Legacy Land Conservation Fund (LLCF). The Legislature created the LLCF with broad support from the conservation and affordable housing community, and by a vast majority of both the House and Senate. TPL opposes HB 2558 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 was automatically cut by 50% as a result in decreased conveyances, (3) the LLCF has protected lands with tremendous agricultural, conservation and cultural/heritage value, producing an estimated \$6 dollars of public benefit for every dollar invested, 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. A short five minute video at <http://www.youtube.com/watch?v=mhChOpRJnvl> describes how the LLCF and other conveyance tax funds create jobs, leverage federal dollars, and provide important public benefits.

- **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 -- funding that has increased under President Obama's administration. For example, funding under the National Atmospheric and Oceanic Administration's Coastal Estuarine Conservation Program (CELCP) has increased from \$8 million under former President Bush, to approximately \$20 million under President

Obama. One of TPL's Hawai'i projects, the Lapakahi State Historical Park -- was ranked #1 among 57 projects nationally this year for \$1.25 million of CELCP funding. Without the matching LLCF dollars, this project would not be possible, and Hawai'i would have lost \$1.25 million in matching federal dollars. If the LLCF is suspended, the State will lose millions of federal funds, and once-in-a-lifetime opportunities to save land that supports local agriculture, conserves water resources, and sustains our Hawaiian heritage.

In general, every dollar spent from the LLCF generates 2-3 additional dollars of federal and/or private money. For example, last year, 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 close to \$2.7 million from the U.S. Army Compatible Use Buffer Zone (ACUB) Program, and \$627,809 from the U.S. Fish & Wildlife Service Recovery Land Acquisition Program,. 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 \$982,956.50 to State 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 \$3.3 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 Has Been Cut By 50% 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% this fiscal year. The LLCF will automatically be cut by 50% 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, Returning An Estimated \$6 For Every Dollar Spent in Public Benefits.**

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.

TPL has conducted studies in other areas of the nation which estimate that, for every dollar invested in conservation of land, an average of six dollars is returned in public benefits (e.g., treating drinking water sources, erosion and flood control, scenic resources). The LLCF is a wise use of taxpayer dollars.

- **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 several 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% 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%. There is no need to cut these programs further. We therefore oppose HB 2558, 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)



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

Hearing on: February 17, 2010

Conference Room #308

Copies Needed: 2

DATE: February 15, 2010

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

FROM: Dennis Arakaki, Executive Director

RE: Opposition to HB 2885 Relating to the Conveyance Tax

Honorable Chair Representative Marcus Oshiro, Vice chair Representative Lee and members of the House Committee on Finance, I am Dennis Arakaki, **representing both the Hawaii Family Forum and the Hawaii Catholic Conference.**

Hawaii Family Forum is a non-profit, pro-family education organization committed to preserving and strengthening families in Hawaii, representing a network of over 250 Christian churches. The Hawaii Catholic Conference is the public policy voice for the Roman Catholic Church in Hawaii, which under the leadership of Bishop Larry Silva, represents over 220,000 Catholics in Hawaii. We oppose this bill that would temporarily suspend the distribution of the conveyance tax to the land conservation fund and rental housing trust fund.

The inventory of affordable housing continues to dwindle in the state of Hawaii. The number of homeless continue to grow, not even to mention those who are living in overcrowded, unhealthy and even dangerous housing conditions. To stifle any means to increase the number of affordable homes would be unconscionable. If anything, the Legislature should be looking at ways to increase the funds available for the Rental Housing Trust Fund.

I beg you not to resort to balancing the budget by decimating a fund that was meant to address one of the most critical issues for the state of Hawaii.

Mahalo for the opportunity to testify.

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*Director of Development
& Community Outreach*
Sara Smith

Project Manager
Scott Fisher

Land Steward
James Crowe

Educational Coordinator
Denby Freeland-Cole



MAUI COASTAL LAND TRUST

February 17, 2010

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

RE: Testimony opposed to HB 2885

I am providing this testimony in strong opposition to HB 2885 which would suspend conveyance tax funding to the Legacy Land Fund (LCF) and would dramatically reduce Natural Areas Reserve Funds (NARF).

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

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

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

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

The LCF, born of the Legacy Land Act in 2005, has already allocated funding for the permanent protection of over 7,100 acres of land by local jurisdictions and conservation nonprofit organizations.

Through leverage of funds from county open space programs, federal resource agency grants, bargain sales from landowners, and donations from foundations and private donors, the \$ 18.9 million provided by the LCF in the first three years translates into almost \$48.9 million of protected value of agricultural, native habitat, cultural, and watershed lands.

Both the LCF and the NARF have already been severely depleted by the 50% drop in Conveyance Tax revenue that began in 2008 in addition to the cuts that resulted from reduction of General Funds in 2009. Additional cuts in funding will lead to magnified economic and financial damage from which it may not be possible to recover.

Please do not approve HB 2885.

Sincerely,

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

Dale B. Bonar, Ph.D.
Executive Director

(808) 244-5263



Before the House Committee on Finance

DATE: February 17, 2010

TIME: 4:30 p.m.

PLACE: Conference Room 308

Re: HB 2880 Relating to Taxation

Thank you for the opportunity to submit our testimony in opposition to HB 2880 Relating to Taxation.

We oppose HB 2880 which seeks to increase the “wholesale” rates under the general excise, use, and public service company taxes to 1% from 0.5% and would be effective as of July 1, 2010 and be repealed as of June 30, 2015. In light of the current challenging economic times, we believe such legislation will result in adverse effects for employers and employees.

The National Federation of Independent Business is the largest advocacy organization representing small and independent businesses in Washington, D.C., and all 50 state capitals. In Hawaii, NFIB represents 1,200 members and works with and on behalf of employers across the state.



Hawaii
Habitat
for Humanity[®]
Association

*Building
houses,
building
hope*

HB 2885: Relating to the Conveyance Tax
House Committee on Finance
Wednesday, February 17, 2010 1:30 p.m.
Conference Room 308

TESTIMONY IN OPPOSITION

Among the harshest circumstances faced by Hawaii's households is the lack of safe, decent and affordable places to live. This is acutely felt by working class families and those who have lost part of their income due to the current economic situation in our state. But even in better times working families are often forced to live in deteriorating and unacceptable places due to high rents and stiff competition for housing. The Rental Housing Trust Fund was created to address the great shortage of affordable rental housing. It is a specific fund dedicated to a very great need.

In order for housing to be built there is a need to have a steady pipeline of funding. When that pipeline is cut off the results are experienced for years, even after funding has been restored.

A home where they can thrive. That is Habitat for Humanity's vision for all people in Hawaii. While Habitat works with families to build their homes we also support the need for adequate rental housing and believe the passage of this bill would be a huge step backward for housing people in Hawaii.

Please do not reduce the conveyance taxes going to the Rental Housing Trust Fund.

Thank you.

Kathleen Hasegawa
Executive Director
Hawaii Habitat for Humanity Association
1164 Bishop St., Ste 510
Honolulu, HI 96813



February 16, 2010

Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair
Members of the House Committee on Finance
State Capitol, Room 308
415 South Beretania Street
Honolulu, Hawaii 96813

Subject: HB 2885; Hearing February 17, 2010 at 1:30 P.M.; Testimony in Opposition

Dear Chair Oshiro and Members of the House Committee on Finance:

Thank you for this opportunity to submit our testimony in opposition to HB 2885 which proposes to temporarily suspend the distribution of a portion of the conveyance tax to the land conservation and rental housing trust fund (RHTF).

EAH Housing is a non-profit public benefit corporation dedicated to developing, managing, promoting and preserving affordable rental housing. EAH in its 42 year history has never sold a property, and is dedicated to permanently affordable, high quality housing.

EAH Housing strongly opposes any initiative that would impact the ability to produce more affordable rental housing and preserve existing housing. We are in a housing crisis and the segment of our community that needs housing the most is those at 50% and below of the area median income. These are the folks who benefit from the RHTF. The RHTF is a key source of financing for the development of new affordable rental housing and for the acquisition and rehabilitation of existing affordable rental housing. It should be funded consistently and to the maximum extent possible.

As I have said in previous testimony, affordable housing is an economic stimulator – it creates jobs while creating shelter. It creates jobs not only for our construction industry but jobs for the continued operation and preservation of this critically needed housing. Suspending the funding of the RHTF is equivalent to telling families in desperate need of housing to continue to wait. Waiting should not be an option. This housing should be available now. Please do not do anything that extends the wait.

Sincerely,

Kevin R. Carney, (PB)
Vice President, Hawaii



COORDINATING GROUP ON
ALIEN PEST SPECIES

The House of Representatives
Committee on Finance
Wednesday, February 17, 2010
1:30 p.m., Conference Room 308
State Capitol

Testimony in Opposition to HB 2885

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

The Coordinating Group on Alien Pest Species (CGAPS) **opposes HB 2885**, *Relating to the Conveyance Tax*, and submits the following information for consideration.

Legislation passed in 2005 provided much-needed funding for three important programs: the Natural Area Reserve Fund (NARF), which protects hawaii's environment, native species, and natural resources; the Land Conservation Fund which ensures the protection of important lands for future generations; and the Rental Housing Trust Fund (RHTF), which provides rental housing assistance funds to low income families.

As you know, the amount of conveyance tax collected is dependant on real estate transactions that year. In 2009, funds for these three programs were down 50% due to the decline in real estate transactions. In addition, the 2009 Legislature temporarily reduced the allocations of future conveyance tax percentages to the NARF from 25% to 20%, and 30% to 25% to the RHTF (the 10% to the Land Conservation Fund remained unchanged). Although a new fee structure was set in place for high end conveyances, the funds and the programs they support are still suffering from budget shortfalls. These shortfalls and the proposed reductions have consequences, including:

Reduction of funding to the NARF:

- Inability to match millions of dollars in federal funds and attract future federal funds
- No ability to contract for archaeological/cultural assessments.
- No ability to provide consistent presence at Ahihi-Kinaiu NAR to manage high visitor impacts.
- Inability to support Kaena Stewardship Committee work.
- Limited ability to maintain existing fences and remove ungulates from recently fenced areas.
- Inability to respond to, control or eradicate pests like coqui frogs on Oahu, Kauai and Maui.
- Inability to survey for and control miconia (each year mature trees produce millions of seeds).
- Shut down of the Big Island Invasive Species Committee.

Temporarily stopping distribution to the Land Conservation Fund:

- Loss of approximately \$12 million in matching funds towards Hawaii conservation.
- Potential loss of important cultural, natural, recreation, and historic lands lost to development.

CGAPS respectfully requests that the legislature oppose HB 2885, 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



Hawai'i Conservation Alliance FOUNDATION

**Testimony of Hawai'i Conservation Alliance Foundation
Opposing H.B. 2885 Relating to the Conveyance Tax
House Committee on Finance
Hearing: Wednesday, February 17, 2010 at 1:30 P.M., Room 308**

The Hawai'i Conservation Alliance Foundation opposes H.B. 2885.

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 is protecting those natural assets that are the foundation of Hawai'i's economy, culture, and high quality of life. HB 2885 would cut the Natural Area Reserve Fund's conveyance tax allocation in half (from a 20% share to a 10% share) for two years (FY11-12). The bill also would completely suspend the Legacy Land (Land Conservation Fund) and the Rental Housing Trust Fund allocations for two years.

These Funds already have lost revenue due to the downturn in the housing market and budget cuts in FY10, leading to further, dramatic reductions in the State's ability to meet its natural resource management and affordable housing mandates. The additional reductions proposed in H.B. 2885 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.

Additionally, these Funds leverage other private, local, state, and federal funding, supporting vital public-private partnerships – partnerships that bolster Hawai'i's economy. For example, the burgeoning environmental restoration business sector provides training and employment for Hawai'i's youth while simultaneously fostering 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 nearshore fisheries; and enhancement of native plant communities that are resistant to drought and lower fire risk. 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 suspend the portion of the conveyance tax that goes to the Land Conservation and Rental Housing Trust Funds, or reduce the percentage of conveyance tax that goes to the Natural Area Reserve Fund.

Submitted on Tuesday, February 16, 2010.



Dole Food Company Hawaii opposes HB 2885. This bill proposes to reduce the conveyance tax revenue to the Natural Area Reserve Fund (NARF). The NARF supports programs that are economically beneficial, culturally significant, and of great environmental importance.

For years, the NARF has funded conservation programs that directly impact the well-being of Hawaii's communities, businesses and visitors. Many island farmers currently cooperate in Watershed Partnerships, Invasive Species Committees and Natural Area Reserve Projects to leverage these dollars by at least 1:1, and in some cases as much as 1:3, with federal, county and private dollars. Dole Food Company Hawaii is among them.

We are a partner in a greater conservation community, a steward in caring for our lands. There is a close connection between a healthy natural ecosystem, water resources, agricultural self-sufficiency and the economy that has been understood by farmers and land managers in Hawaii for generations. The NARF has funded conservation work in the forest reserve above our lands, which contains an ecosystem so unique that it is proposed to become the only Natural Area Reserve in the Ko'olau Range. The NARF has also enabled us to work with the Ko'olau Watershed Partnership to improve wild animal control on our lands.

These are tough economic times. Scarce water resources will only make the cost of doing business more expensive and difficult. Fresh water is extremely important to our local economy, our lands, our community, and our district. We now know from the Waiahole contested case that the demand for fresh water on O'ahu will exceed supply by 2020. Healthy forests mean more fresh water, which results in greater benefits for the agricultural communities downstream.

Because NARF funding is directly tied to the Conveyance Tax, this funding is already down by 50%. For the future of conservation in Hawai'i and economic stability in our own district, I urge you not to cut the Natural Area Reserve Fund under House Bill 2885.

Daniel X. Nellis
Operations Director



Office
1149 Bethel St., Ste. 415
Honolulu, HI 96813
877.585.2432 toll-free ph/fx

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

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

**H.B. 2885 Bill to Raid NARS Fund
Room 306, 1:30 pm
February 17, 2010**

Aloha Representative Oshiro and members of the House Finance Committee,

Mahalo for this opportunity to express our **opposition to HB 2885**. We strongly urge you to NOT make any further reductions to the Natural Area Reserve Fund, Land Conservation Fund, and Rental Housing Trust Fund.

KAHEA is a network of nearly 10,000 people throughout the Hawaiian Islands and the world working to protect Hawai'i's unique natural and cultural resources. We were one of the original advocates for the establishment of these funds.

These three funds are extremely important to the people of Hawai'i. Together they ensure that Hawai'i's most needy have affordable housing, while protecting valuable conservation lands, fresh water resources, cultural sites, and public access for the benefit of Hawai'i's future generations. These funds protect the backbone of Hawai'i's culture and environment.

Despite their importance, this Legislature already took one swipe at these funds, by reducing the percentage they receive from the conveyance tax. This cut was in addition to the drastic loss of revenue these funds experienced due to the housing market crisis. Without any change in law, these funds lost 50% of their revenue due to the housing crisis created by America's major banks.

These funds cannot withstand any further reductions. We strongly urge you to not balance the budget on the back of Hawai'i's fragile natural infrastructure. These funds are meant for the long term benefit of Hawai'i's people and should not be further cut today for short-sighted gains.

Mahalo,

Marti Townsend
Program Director



PARTNERS IN CARE

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

FROM: Darlene Hein, Advocacy Chair, Partners In Care

HEARING: Wednesday, 2/17/10, 1:30 pm; CR 308

TESTIMONY- OPPOSE – HB 2885: RELATING TO CONVEYANCE TAX

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

Thank you for the opportunity provide testimony on SB 773. I am, Darlene Hein, Advocacy Chair for Partners In Care. 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.

The elimination of funding for the Rental Housing Trust Fund for two years would limit the ability of the State to produce any new affordable rental housing. There are projects that are "ready to go" that will not be funded. New projects that applied in January for approximately \$31 Million to produce affordable rentals will be put on hold with the loss of funding. The loss of hundreds of proposed affordable housing units will be devastating causing severe hardship for many of Hawaii residents.

The Rental Housing Trust Fund has a proven track record of utilizing all its funding to produce housing. Since 2002, **1,814 affordable housing units** have been created. 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 to address the additional needs as workers lose jobs, have hours reduced, or face foreclosures. The production of affordable units cannot fill the demand. 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.

We urge you to oppose this bill and to support affordable housing for all of Hawaii's residents.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Saturday, February 13, 2010 10:58 AM
To: FINTestimony
Cc: bsager42@gmail.com
Subject: Testimony for HB2885 on 2/17/2010 1:30:00 PM

Testimony for FIN 2/17/2010 1:30:00 PM HB2885

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: William H Sager
Organization: Individual
Address: 44-211 Mikiola Dr Kaneohe, HI
Phone: 808-375-1114
E-mail: bsager42@gmail.com
Submitted on: 2/13/2010

Comments:

The Conveyance Tax was established to fund important projects that require consistent effort to be effective. Alien species seedlings surge back when they are not controlled and a decades work can be lost in a couple of years. Cut rental vouchers to the poor and people are forced onto the beach. Fail to maintain a fence and goats and pigs devastate native forests.

The conveyance tax is vital to provide consistant funding to vital programs. Don't waste a decade of effort by killing programs that must be consistently carried out in order to be effective.

HB2885 will eliminate funding for important programs that depend on consistent effort to be effective.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 13, 2010 12:13 PM
To: FINTestimony
Cc: oahurandy@yahoo.com
Subject: Testimony for HB2885 on 2/17/2010 1:30:00 PM

Testimony for FIN 2/17/2010 1:30:00 PM HB2885

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Randy Ching
Organization:
Address:
Phone:
E-mail: oahurandy@yahoo.com
Submitted on: 2/13/2010

Comments:

The land conservation fund and rental housing trust fund meet important needs. Ma`o Farms in Nanakuli was able to purchase 11 acres with money from the land conservation fund. The Natural Area Reserve Fund helps protect shearwater and albatross nests at Kaena Point.

Please do not pass HB2885. The conveyance tax monies are being put to excellent use in the land conservation, rental housing trust and NAR funds. Very important work will not get done if this bill passes.

Mahalo for your time and consideration.

Randy Ching
Sierra Club, Oahu Group
Honolulu

MauiGrown Coffee, Inc.
277 Lahainaluna Rd. Lahaina, HI 96761

February 16, 2010

I am submitting this testimony opposing House Bill 2885. The Natural Area Reserve program in Hawaii over the years has become an enduring program that provides ongoing protection for Hawaii's very fragile natural ecosystem.

Many watershed protection partnerships have been founded in the last decade as a sibling effort to take the NAR program further, with past legislators keeping this funded program at their highest priority. Reduced funding would all but undo the hard efforts to protect our Hawaii as we know it.

Let us not lose sight of this now during times of an economic downturn. What we lose today can not be replaced later even in the best funding years. I strongly urge you to vote against this measure to reduce funding the natural area reserve program, which would mean a vote to protect our future water supply and native ecosystems.

Aloha,

James Kimo Falconer
West Maui Watershed Partner
Owner, MauiGrown Coffee, Inc.

HOUSE OF REPRESENTATIVES
COMMITTEE ON FINANCE

RE: HB 2885

February 17, 2010, 1:30 PM

State Capitol Room 308

I OPPOSE this bill.

This bill's premises are flawed and its effects potentially disastrous. First, it is the wrong time to cut funding to the Legacy Land Fund. Prices for acquisition of land are relatively low with the poor economy, so it actually makes sense to maintain or increase funding for the important purposes of this fund

Second, the Lingle Administration should not forget that it committed to an development policy and strategy to deemphasize land development as a cornerstone for future economic activity. Turning instead to the long-term interests in preserving our limited land base for conservation and agricultural purposes make sense under this policy direction.

Finally, it is about time the Democratic majority stood up for something of which it could be proud to promote. We have passed the time of go-along politics. The majority should stand for something clearly, affirmatively, and without hesitation. Now is the time to do something that would have impacts far beyond our limited life spans. It is not easy to be courageous and firm in the face of short-term needs and financing.

For all of the above reasons, I ask you to kill this bill.

Alan T. Murakami
916D Auloa Road
Kailua, HI 96734

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 15, 2010 1:39 PM
To: FINTestimony
Cc: kaimiunger@gmail.com
Subject: Testimony for HB2885 on 2/17/2010 1:30:00 PM

Testimony for FIN 2/17/2010 1:30:00 PM HB2885

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Keith Unger
Organization: McCandless Ranch
Address: pob 181 Honaunau, Hi
Phone: 8083288246
E-mail: kaimiunger@gmail.com
Submitted on: 2/15/2010

Comments:

For years, the Natural Area Reserve Fund (NARF) has funded conservation programs that directly impact the well-being of Hawaii's communities, businesses and visitors. Many cattlemen currently cooperate in Watershed Partnerships, Invasive Species Committees and Natural Area Reserve Projects to leverage these dollars by at least 1:1, and in some cases as much as 1:3, with federal, county and private dollars.

Because NARF funding is directly tied to the Conveyance Tax, this funding is already down by 50%. For the future of conservation in Hawai'i, I urge you to minimize the cuts to funding both the Natural Area Reserve Fund and the Legacy Land Conservation Fund under House Bill 2885.

Sincerely, Keith F. Unger McCandless Ranch

FINTestimony

From: mailinglist@capitol.hawaii.gov
sent: Monday, February 15, 2010 2:10 PM
To: FINTestimony
Cc: gottlieb@hawaii.rr.com
Subject: Testimony for HB2885 on 2/17/2010 1:30:00 PM

Testimony for FIN 2/17/2010 1:30:00 PM HB2885

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Alan Gottlieb
Organization: Individual
Address:
Phone: 808-306-7769
E-mail: gottlieb@hawaii.rr.com
Submitted on: 2/15/2010

Comments:

For years, the Natural Area Reserve Fund (NARF) has funded conservation programs that directly impact the well-being of Hawaii's communities, businesses and visitors. Many cattlemen currently cooperate in Watershed Partnerships, Invasive Species Committees and Natural Area Reserve Projects to leverage these dollars by at least 1:1, and in some cases as much as 1:3, with federal, county and private dollars.

Because NARF funding is directly tied to the Conveyance Tax, this funding is already down by 50%. For the future of conservation in Hawai'i, I urge you to minimize the cuts to funding both the Natural Area Reserve Fund and the Legacy Land Conservation Fund under House Bill 2885.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 15, 2010 5:59 PM
To: FINTestimony
Cc: Karen@RedwoodGames.com
Subject: Testimony for HB2885 on 2/17/2010 1:30:00 PM

Testimony for FIN 2/17/2010 1:30:00 PM HB2885

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Karen Chun
Organization: Individual
Address: 87 Lae St. Paia HI 96779
Phone: 808 283-3049
E-mail: Karen@RedwoodGames.com
Submitted on: 2/15/2010

Comments:

Please do not cut conveyance tax funding for land and natural area reserves and affordable housing.

These areas were already underfunding before conveyance tax income was halved and to further cut them will have a future impact out of proportion with the short term gain.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 15, 2010 6:53 PM
To: FINTestimony
Cc: bennettj001@hawaii.rr.com
Subject: Testimony for HB2885 on 2/17/2010 1:30:00 PM

Testimony for FIN 2/17/2010 1:30:00 PM HB2885

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Jack Bennett
Organization: Individual
Address: 1717 Mott-Smith Dr. Apt. 1412 Honolulu, HI
Phone: 8086205735
E-mail: bennettj001@hawaii.rr.com
Submitted on: 2/15/2010

Comments:

I oppose HB 2885 and any cuts or reductions to the two special funds that are supported by the conveyance tax, i.e., the Natural Area Reserve Fund and Land Conservation Fund. Thank you

-

The Honorable Gilbert S.C. Keith-Agaran
Hawaii State Capitol, Room 424
415 South Beretania Street
Honolulu, HI 96813

Re: HB 2885, Relating to the Conveyance Tax

Dear Representative:

I am writing this letter in opposition of the proposed bill HB 2885, titled Relating to the Conveyance Tax. In these times of economic hardship we must make tough decisions regarding how to utilize our limited resources, but diverting the small amount of money that the conveyance tax provides to the Natural Area Reserve fund and the Legacy Land Trust will only lead to a drastically greater economic burden when the ecosystem functions we rely upon- such as watershed water cycling, aquifer recharge, and healthy reef fisheries- cease to function effectively. The neglect and degradation of our unique and imperiled native Hawaiian environment can and will lead to permanent environmental changes as our ecosystems are altered by invasive plants and animals and we lose more Hawaiian species to extinction.

Though I am writing this letter as a concerned citizen, in my professional life I work with many individuals who are responsible for caring for the lands whose management is provided for by the conveyance tax. Many of these people work tirelessly and for little pay because they feel passionately that it is their kuleana to care for the lands that have been set aside to protect the "last of the last" Hawaiian native plants and animals. They already are working in a state of emergency triage when making land management decisions and are unable to finish critically needed projects, such as some fencing projects here on Maui that protect vegetation from pigs and goats and prevent the sediment runoff which chokes our reefs. (You can see a dramatic example of the runoff caused by loss of vegetation on Molokai: http://maps.google.com/maps?f=q&source=s_q&hl=en&geocode=&q=Molokai,+Kaunakakai,+HI+96748&sl=37.0625,-95.677068&sspn=40.817312,79.013672&ie=UTF8&split=0&hq=&hnear=Kaunakakai,+Maui,+Hawaii&t=h&z=14)

These land stewards talk about how they will deal with further cuts to their limited budgets and the talk is disturbing. Some groups have considered the scenario of having to abandon miconia and coqui eradication, essentially conceding defeat in some areas (such miconia in Nahiku and coqui in Maliko Gulch here on Maui) so that they can concentrate on only areas of highest conservation value where their decreasing funds will still make a difference. This is especially disturbing since at current budget levels the eradication of these pests on Maui is plausible.

In the end, the cost in the future of our neglect will far outweigh the savings today. Please vote against HB 2885 and protect the intrinsic value of these lands and the unique creatures which live on them, as well as the direct value of the ecosystem services which they provide.

Sincerely,

Elizabeth Speith
762 Honowai St.
Kahului, HI 96732

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 15, 2010 8:58 PM
To: FINTestimony
Cc: heidib@hawaii.rr.com
Subject: Testimony for HB2885 on 2/17/2010 1:30:00 PM

Testimony for FIN 2/17/2010 1:30:00 PM HB2885

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Heidi Bornhorst
Organization: Individual
Address:
Phone:
E-mail: heidib@hawaii.rr.com
Submitted on: 2/15/2010

Comments:

- We oppose HB 2885 and any cuts or reductions to the three special funds that are supported by the conveyance tax: the Natural Area Reserve Fund, Land Conservation Fund, and Rental Housing Trust Fund.
- These three funds support very important programs for the people of Hawai'i, including the Natural Area Reserves (which are mostly ceded land); watershed protection; protection of habitat for threatened and endangered Hawaiian species; the Youth Conservation Corps, public-private partnerships on private land; the purchase of land for open space, beach access, cultural sites, recreation, and agriculture; and affordable rental housing.
- Funding for these funds has already been reduced by 50% because of the depressed real estate market.
- Furthermore, in 2009, to help balance the budget, the state legislature reduced the amount of the conveyance tax going into the Natural Area Reserve Fund and the Rental Housing Trust Fund.
- No more cuts to the conveyance tax funds! Support Hawaii nature and people Its our true real ECONOMIC future.

I have to work or I would be there to offer my Hawaiian VOTER voice.

MAHALO

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 15, 2010 9:16 PM
To: FINTestimony
Cc: margeb@hawaii.rr.com
Subject: Testimony for HB2885 on 2/17/2010 1:30:00 PM

Testimony for FIN 2/17/2010 1:30:00 PM HB2885

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Marjorie Bonar
Organization: Individual
Address: 400 Auli`i Dr Pukalani, HI
Phone: 808 573-1960
E-mail: margeb@hawaii.rr.com
Submitted on: 2/15/2010

Comments:

I/We oppose HB 2885 and any cuts or reductions to the three special funds that are supported by the conveyance tax: the Natural Area Reserve Fund, Land Conservation Fund, and Rental Housing Trust Fund.

These three funds support very important programs for the people of Hawai'i, including the Natural Area Reserves; watershed protection; protection of habitat for threatened and endangered Hawaiian species; the Youth Conservation Corps, public-private partnerships on private land; the purchase of land for open space, beach access, cultural sites, recreation, and agriculture; and affordable rental housing.

Funding for these funds has already been reduced by 50% because of the depressed real estate market.

Furthermore, in 2009, the state legislature reduced the amount of the conveyance tax going into the Natural Area Reserve Fund and the Rental Housing Trust Fund.

No more cuts to the conveyance tax funds!

Hawaii State Capitol
478 South King St, Suite 306
Honolulu, HI 96813

Aloha Chair Oshiro and Vice Chair Lee,

I am opposed to House Bill 2885, which temporarily suspends the distribution of a portion the conveyance tax to the land conservation fund and rental housing trust fund and also further reducing the distribution to the natural area reserves fund.

This bill is an extremely misguided attempt to salvage state funding from state and private agencies that play a crucial role in the state of Hawai'i. The conveyance tax provides funding for the Department of Land and Natural Resources Natural Area Reserves, which manages 19 sites across the state of Hawai'i. There are 3 sites on O'ahu, which is my home island. My personal favorite is Ka'ena Point which is home to an abundance of migratory seabirds like albatross and wedge-tail shearwaters along with native plants that flourish at this site. The NARS gives us glimpses into the past of what Hawai'i used to look like before urbanization and invasive species wiped out native habitat. These pockets of native habitat preserve biodiversity and promote healthy forests. With the reduction in the distribution of the conveyance tax to NARS these systems will suffer and all the flora and fauna protected within will suffer.

Several other organizations receive funding from the conveyance tax. The Invasive Species Committee's are island-based organizations designed to rapidly respond to invasive pests that are still in relatively low numbers and easily controlled. Two of the major targets the ISC's control are coqui frogs and miconia. Coqui frogs produce an 80-90 decibel call that is greatly affecting residents and businesses on the Big Island. Miconia has taken over 80,000 acres of native habitat on Tahiti. Both species would cause the same devastation if allowed to spread throughout the islands.

The Mountain Watershed Partnerships would also be greatly affected by this reduction. They preserve native habitat at our most remote areas on the islands. MWP's dedicate their time in the upper mountains where healthy, native forest plays an important role in providing plenty of clean drinking water for our ever growing population.

These organizations have already received a 50% reduction in the conveyance tax due to the loss of home sales. Further reducing funding would make these organizations nonfunctioning, which is what this bill proposes. That means the loss of hundreds of jobs, the reduction of native habitat, and the further endangerment of our precious flora and fauna that we will not be taking away from our generation but from future generations that have no voice.

Please vote no on HB 2885.

Thank you,



Chelsea Arnott and Stephen Walsh.

Testimony of Miranda Smith
Master of Environmental Management: *Environmental Economics and Policy*, Duke University
Kailua, Oahu Resident
Opposing H.B. 2885
House Finance Committee
February 17, 1:30 pm in Room 308

I oppose H.B. 2885. This bill proposes to reduce the conveyance tax revenue to the Natural Area Reserve Fund (NARF). The NARF supports programs that are economically sound, culturally significant, and of great environmental importance.

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

- The proposed cuts may result in State budget savings of \$3 million but will result in a loss of at least \$5 million dollars to Hawaii's economy.
- In 2008, Watershed Partnerships were allocated \$3.9 million dollars in NARF funds but brought \$6.5 million to Hawaii's economy to support jobs and local business contracts.
- In 2009, they were allocated \$2.5 million dollars in NARF funds but brought **\$5 million**.
- A similar trend is expected in 2010.

A reduction in funds means the loss of local jobs.

- In NARF funding supported more than 170 local jobs, the majority of which could be cut if this bill succeeds. Those jobs are the core of a network of 250 people working for Hawaii to protect more than 1 million acres of natural areas that generate the drinking water for 1.3 million residents.

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

- Tourism revenues were \$6.5 billion dollars in 2009. The NARF is a 0.1% investment in the natural resources that draw people to our beautiful islands.
- This funding protects more than 1 million acres of natural areas and the source of drinking water for all islands. The Ko'olau Watershed on O'ahu produces 135 billion gallons of water a year. BWS pumps an average of 54 billion gallons of Ko'olau water to customers every year. That local source of fresh water on O'ahu is equal to \$350 billion dollars worth of bottled water, annually. The NARF is a 0.00004% investment in the natural resources that support life on these islands.

This is the time to support the programs that bring money to the State, secure our fresh drinking water sources, and provide local jobs. Our resources and our economy are under tremendous pressure, yet our greatest community asset has always been and always will be our drinking water resources. We must continue to protect that; we must oppose this bill.

I OPPOSE HB 2885

I am writing in strong opposition to HB 2885. As an educator involved with our communities, especially our youth, I think that this bill is bad for our economy, bad for our future generations, bad for our ohana, bad for our agriculture, bad for our sustainability, bad for our watersheds, bad for our health, and bad for our environment. It hits some of the most important, effective projects across the state that address some of our most pressing issues. This bill will destroy the foundation upon which affordable housing and environmental protection are built. The Natural Area Reserve Fund, Land Conservation Fund, and the Rental House Trust Fund have given us the opportunity to build up local capacity on all of the islands to deal with critical community problems. Losing this funding would mean that we would have to rebuild these programs, which could take years. During these years, homelessness will increase, invasive species will spread, water quality will be affected, and our environment---the gem of our economy---will have lost some of its most dedicated stewards. And without the Youth Conservation Corps, we no longer have a highly successful program to introduce Hawaii's youth to green collar jobs.

I understand that this is a tough time and that there are no good choices. I understand that there are so many critical programs that face cuts as well. But please, these programs have already taken so many cuts. They can't take any more.

Mahalo,

Jacqueline Kozak

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 16, 2010 8:53 PM
To: FINTestimony
Cc: tina.aiu@gmail.com
Subject: Testimony for HB2885 on 2/17/2010 1:30:00 PM
Attachments: testimony hb 2885.rtf

Testimony for FIN 2/17/2010 1:30:00 PM HB2885

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Tina Aiu
Organization: Individual
Address:
Phone: 808-595-5060
E-mail: tina.aiu@gmail.com
Submitted on: 2/16/2010

Comments:

HB 2885
RELATING TO THE CONVEYANCE TAX
House Committee on Finance

Date 2/17/2010
308

Time 1:30pm

Room

I oppose House Bill 2885 which temporarily suspends distribution to a portion of the conveyance tax to the legacy land conservation fund and rental housing trust fund and reduces distribution to the natural area reserve fund.

I understand that the state is under pressure to cut funding during these harsh economic times, but the conveyance tax helps to fund valuable programs that provide jobs, build affordable housing, maintain our natural resources, save land for the people, and empower youth, our future stewards.

Furthermore, cutting from these programs does not make economic sense. For example, the Hawaii Youth Conservation Corps provides approximately 193,000 service hours to the state each year, equivalent to some \$3.9 million in man power. Every state dollar from the Legacy Land fund can be matched by up to 2-3 dollars in federal funds. Housing drives the economy and creates jobs.

In addition to economic benefits, these programs are helping us keep Hawaii a beautiful, affordable place to live and work and are laying a strong foundation for future generations.

As a young Native Hawaiian, former Team Leader of the Hawaii Youth Conservation Corps and current intern with the Trust for Public Land Hawaii Islands Program, I have experienced hands-on the good that these programs have done for our land and its people. The value of these programs will far outweigh any monetary gain from reducing the conveyance tax funds. Thank you for your time.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 16, 2010 10:28 PM
To: FINTestimony
Cc: kumuiokepa@gmail.com
Subject: Testimony for HB2885 on 2/17/2010 1:30:00 PM

Testimony for FIN 2/17/2010 1:30:00 PM HB2885

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Iokepa Meno
Organization: Individual
Address: PO BOX 1478 Kahului, HI 96733
Phone:
E-mail: kumuiokepa@gmail.com
Submitted on: 2/16/2010

Comments:

Makemake i hai kou manao i keia pila 2885. AOLE KA! Mai oki i na hui i kokua nei ka lahui o Hawaii i holomua. Nalowale nei i ka aina pono a me hewa loa i keia pila. Hoolohe i na leo o na kupuna a me lohe ole i na leo o na waha hewa! MAI POINA I KE MAKIA O HAWAII NEI!:
Ua mau ke ea o ka aina i ka pono!

Rachel Neville
rachel_neville@yahoo.com
Honolulu, HI

February 16, 2010

Committee on Finance
Rep. Marcus R. Oshiro, Chair
Rep Marilyn B. Lee, Vice Chair
State Capitol
415 Beretania Street
Honolulu, HI 96815

RE: Opposition to HB 2885

I oppose HB 2885. This bill will cripple the state's ability to care for public land, protect Hawai'i from invasive species and provide affordable housing for its most vulnerable citizens. To throw this program away will be a mistake. These are all things that Hawai'i citizens need.

The Legislature did a great thing last year when it increased the conveyance tax in order to offset the gap left by reducing the amount of the conveyance tax going into the NARF fund. Despite this, many conservation organizations saw a 65% reduction in state funds. The NARF fund has dropped significantly, due to the Legislature's actions last year and a slow real estate market

Further reductions would lead to layoffs and possibly shut down these organizations, eliminating the capacity that's already been built. The NARF fund supports the control of miconia, fountain grass and other invasive species that have the ability to alter Hawai'i's ecosystems so profoundly that they will be unrecognizable as Hawaiian.

I understand that everyone is hurting this year, but the NARF fund has already taken a significant hit and to reduce it further will hurt the state in the long run.

Please feel free to contact me by email if you have any questions.

Sincerely,
Rachel Neville

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 16, 2010 5:57 PM
To: FINTestimony
Cc: e.rezents@hawaiiantel.net
Subject: Testimony for HB2885 on 2/17/2010 1:30:00 PM

Testimony for FIN 2/17/2010 1:30:00 PM HB2885

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Ernest H. Rezents
Organization: Individual
Address:
Phone:
E-mail: e.rezents@hawaiiantel.net
Submitted on: 2/16/2010

Comments:

I am opposed to HB2885 because it will negatively impact natural area reserves, watershed protection, and protection of habitats of endangered Hawaiian species. The conveyance tax funds support preservation of valuable Hawaiian resources. Without these resources we are not Hawaii. Take the funds from other "trust" funds. Thank you.

FINTestimony

From: mailinglist@capitol.hawaii.gov
sent: Tuesday, February 16, 2010 5:07 PM
To: FINTestimony
Cc: mwebster@mlpmaui.com
Subject: Testimony for HB2885 on 2/17/2010 1:30:00 PM

Testimony for FIN 2/17/2010 1:30:00 PM HB2885

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Megan Webster
Organization: Maui Land & Pineapple Co. Inc
Address: 200 Village Road Lahaina, HI 96761
Phone: 808-665-5467
E-mail: mwebster@mlpmaui.com
Submitted on: 2/16/2010

Comments:

On behalf of Maui Land & Pineapple Company, Inc., we oppose the proposed revisions to HB 2885, specifically, the reduction in the conveyance tax paid to the natural area reserve fund from July 1st 2010 to June 30th 2012.

In past years, Maui Land & Pineapple Co. Inc. was supportive of the increase in conveyance tax with the knowledge that these monies would be used for the natural area reserve fund. Our participation in the Natural Area Partnership Program allows us to actively manage the 8,304 acres of Pu'u Kukui Watershed Preserve on Maui as well as oversight of approximately 3,500 additional acres of conservation land on our property. This cut in funding would severely undermine our ability to properly manage the lands. This bill would result in staffing cuts and severely limit programmatic capabilities. As we know, our environment is our economy here in Hawai'i and active management of the watershed is key to protecting water resources, marine resources, native plant and animal communities and overall ecosystem function.

Without the funds from the conveyance tax going to support the natural area reserve fund, land management entities and partnerships across the state will be so severely crippled that viability is questionable. I urge you to please reconsider HB2885 and the reduction of funds paid from the conveyance tax to the natural area reserve fund.

February 16, 2010

RE: Strong opposition to HB2885

Aloha Legislators,

On behalf of West Maui watershed protection, I am opposing HB2885. In these financially difficult times, I fully appreciate the economic hardship that Hawai'i is facing and that prudent decisions will have to be made to safeguard our state's economy and its citizens. However, it is important to impress upon you that watershed management has always been a wise investment throughout our state's history and that the forested watersheds need protection because they are the foundation of our economic engine and provide life giving water to our people.

Even without the proposed cuts under HB2885 the current lack of productivity in the conveyance tax will already reduce allocations to the Natural Area Reserve Fund by 50%! With the proposed bill we will feel even greater hardship and as a result, lose highly trained resource management staff steeped in institutional knowledge. A great blow to the integrity of State Forest and Natural Area Reserves as well as private forest reserves throughout our state will be felt first by cuts in funding and then by the rebound of invasive species populations. Any loss in funding will diminish conservation's ability to multiply revenues through matches from federal, county, or private sources nor help stimulate local economies through our business. Programs designed to protect our water and biological resources through fencing, fire suppression, weed and feral ungulate control, rare species protection, and outreach and education are on the block.

For The West Maui Watershed this will have HUGE Ramifications!!!

- **Natural Area Partnership Programs:** Two programs including Pu'u Kukui Watershed (ML&P lands) and Kapunakea (TNC/Ka'anapali Land Management Corp lands) will be greatly reduced because they rely on 2:1 match from the NARF. Six positions could be lost. 9,600 acres subject to degradation.
- **State Natural Area Reserves:** The West Maui system includes the Honokowai, Kahakuloa, Lihau and Panaewa sections. These lands would be forced to greatly reduce management. 6,995 acres subject to degradation.
- **Youth Conservation Corps:** West Maui will lose two positions and a future highly trained stewardship professionals. 3,400 service hours subject to loss
- **Maui Invasive Species Committee:** Programs treating invasive weeds such as Pampas grass will be cut back, lose positions and risk spread beyond control.
- **Watershed Partnerships Grant Program:** The states model of public and private partnerships for conservation will likely receive nothing. 12, 286 acres protected behind fences subject to degradation. Up to three positions could be lost.
- **Overall:** 17.5 miles of protection fencing subject to disrepair, 21,000 acres out of 48,000 acres of watershed could sharply degrade, 171 rare and endangered species at risk, billions of gallons of water and nearly 80% of DWS water supply at risk!

Furthermore, conservation success requires consistent effort to maintain and build upon previous gains. Interruptions in funding will not only cease forward progress but will actually make things

worse by giving many forest threats the chance to multiply and repopulate areas from which they had been eradicated. A further reduction in funding now will require increased future funding just to regain former benchmarks. Recovery may take years.

I am grateful for your ongoing support and consideration of this matter. Indeed the state support for watersheds has greatly increased in the past few years, but I stress that it is necessary and still not equal to the need. Please help to maintain the quality of forests and the sustainability of our water resources. HB2885 will further cripple an already struggling group charged with the stewardship of the resource which makes Hawaii unique and habitable.

Mahalo nui loa,

Christopher N. Brosius

Dale B. Bonar, Ph.D.
400 Auli'i Drive
Pukalani, Hawaii 96868

February 17, 2010

Mr. Marcus Oshiro, Chairman
House FIN Committee

RE: HB 2885 Opposition

I am writing in strong opposition to the reassignment of the Natural Areas Reserve Fund (NARF) and the Legacy Land Conservation Fund (LLCF) to the General Fund.

As Chairman of both the Natural Areas Reserve System Commission and the Legacy Lands Conservation Commission, I have seen the enormously important work done by the many employees and volunteers to protect, restore and enhance our `aina.

For the NARF, the funding which comes to the conveyance fees has dropped by over 50% due to the downturn in the economy. Couple that with the mandated 20% cuts in the FY 2010 budget AND by the removal of all general funds for the program, and these programs have already taken the biggest hits by far of any state-funded programs.

If we truly believe "The Environment is Our Economy", then removing these funds is suicide. The incremental gains against invasive species, loss of native species and native habitat and water quality protection that these programs have made in the last decade can be eliminated in a single year without baseline funding. Even with the reduced level of funding provided by the decreased conveyance fees, there will be some losses against these environmental challenges.

The proposed decreases or elimination of funding for these programs will result in the loss of up to 170 positions.

Please do not gut the NARS and the LLCF programs. Our future depends on protecting our environment.

Sincerely,

A handwritten signature in black ink, appearing to read "Dale B. Bonar". The signature is fluid and cursive, written in a professional style.

Dale B. Bonar

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 16, 2010 1:47 PM
To: FINTestimony
Cc: csogura@gmail.com
Subject: Testimony for HB2885 on 2/17/2010 1:30:00 PM
Attachments: HB2885 oppose.doc

Testimony for FIN 2/17/2010 1:30:00 PM HB2885

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Christine Ogura
Organization: Individual
Address:
Phone:
E-mail: csogura@gmail.com
Submitted on: 2/16/2010

Comments:

HB 2885 RELATING TO THE CONVEYANCE TAX

Committee: FIN Room: 308 Hearing Date: 2/17/2010 1:30:00 PM

I oppose HB 2885 and any cuts or reductions to the three special funds that are supported by the conveyance tax: the Natural Area Reserve Fund, Land Conservation Fund, and Rental Housing Trust Fund.

These three funds support very important programs for the people of Hawai'i, including the Natural Area Reserves; watershed protection (over 220 billion gallons annually produced in areas protected); protection of habitat for threatened and endangered Hawaiian species; the Youth Conservation Corps (creating future leaders), public-private partnerships on private land; the purchase of land for open space, beach access, cultural sites, recreation, and agriculture; and affordable rental housing.

Funding for these funds has already been reduced by 50% because of the depressed real estate market and programs have adjusted to now function on bare bones operations. Any further reductions would mean the end for some programs.

Furthermore, in 2009, to help balance the budget, the state legislature reduced the amount of the conveyance tax going into the Natural Area Reserve Fund and the Rental Housing Trust Fund.

Many of these programs, through getting matching funds from federal, private and county funds, bring additional monies into the state to support jobs for local people and local businesses through supply and service purchases.

These programs support youth, farmers, elderly, and many others in our communities. They' ve done their part to make budget cuts and live within these restrictive times. Now it' s your turn to recognize these sacrifices and not cut such services to the point where programs are no longer viable.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Date: Tuesday, February 16, 2010 3:41 PM
To: FINTestimony
Cc: keith.hicdc@gmail.com
Subject: Testimony for HB2885 on 2/17/2010 1:30:00 PM

Categories: Lisa

Testimony for FIN 2/17/2010 1:30:00 PM HB2885

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Keith Kato
Organization: Hawaii Island Community Dev Corp
Address:
Phone:
E-mail: keith.hicdc@gmail.com
Submitted on: 2/16/2010

Comments:

We opposed HB2885 as it would cut off needed funding for low income rental projects. The RHTF is the most flexible funding source and is needed to fill in the gaps left by other funding sources. Without RHTF many projects would not be able to proceed.

HOUSE COMMITTEE ON FINANCE

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

Wednesday, February 17, 2010
House Conference Room 308
1:30 PM

House Bill 2885
Relating to the Conveyance Tax

Testimony submitted by
Bob Loy
Director of Environmental Programs
The Outdoor Circle

This testimony is respectfully submitted in strong opposition to HB 2885, which allows for the temporary suspension of distribution of a portion of the conveyance tax to the land conservation fund and the rental housing fund, as well as a reduction in contribution to the natural area reserve fund.

While The Outdoor Circle acknowledges the fiscal challenges facing Hawaii the opening sentence of this legislation alone constitutes overwhelmingly powerful reasons to oppose its passage: "The legislature finds that during the present budget crisis, higher priorities than the land conservation and the natural area reserve system exist."

We submit that while there are a few priorities in Hawaii that are more important than conserving land and preserving natural areas, these are two areas of public policy that should not be compromised in order to reduce Hawaii's financial deficit. Even a temporary halt to contributions to the Land Conservation Fund could result in the inability to acquire private lands offered for sale that contain cultural, natural, agricultural, historical, and recreational resources. These opportunities sometimes are fleeting and the failure to act when opportunities arise can result in the long-term inability to purchase the land and protect its resources.

Similarly, failing to fully fund the Natural Area Reserve Fund (NARF) will almost certainly result in the inability to provide the resources to acquire unique, high quality native ecosystems or geological formations that, once lost, cannot recover. An excellent example of this is the Waikoloa Village Outdoor Circle's Dry Land Forest Preservation project which received partial funding from the NARF to protect a stand of the highly endangered Native Hawaiian Uhi-Uhi trees.

We understand the need to leave no stone unturned in the quest for money to operate State government, but we respectfully submit that temporarily reducing or eliminating funding for these two programs will be "a penny wise and a pound foolish." We urge you to turn your budget saving efforts to wasteful, inefficient and otherwise expendable projects and programs that do not have the long-term implications of failing to acquire and or protect important lands of our state.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 16, 2010 12:32 PM
To: FINTestimony
Cc: kaahaal@students.wvu.edu
Subject: Testimony for HB2885 on 2/17/2010 1:30:00 PM

Testimony for FIN 2/17/2010 1:30:00 PM HB2885

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Lea Kaahaaina
Organization: Individual
Address: 41-041 Hinalea St. HI
Phone: 808 391-8585
E-mail: kaahaal@students.wvu.edu
Submitted on: 2/16/2010

Comments:

I oppose HB 2885 and any cuts or reductions to the three special funds that are supported by the conveyance tax: the Natural Area Reserve Fund, Land Conservation Fund, and Rental Housing Trust Fund.

These three funds support very important programs for the people of Hawai'i, including the Natural Area Reserves (which are mostly ceded land); watershed protection; protection of habitat for threatened and endangered Hawaiian species; the Youth Conservation Corps, public-private partnerships on private land; the purchase of land for open space, beach access, cultural sites, recreation, and agriculture; and affordable rental housing.

Funding for these funds has already been reduced by 50% because of the depressed real estate market.

Furthermore, in 2009, to help balance the budget, the state legislature reduced the amount of the conveyance tax going into the Natural Area Reserve Fund and the Rental Housing Trust Fund.

No more cuts to the conveyance tax funds!

I am writing to express my very strong opposition to HB2885, relating to the conveyance tax. One may argue that there are higher priorities than conservation, but it remains a high priority nonetheless – it has both hard economic value in protecting the watersheds that feed our agriculture, especially in this time of drought, and unquantifiable value in preserving what makes Hawai‘i unique. Moreover, the budget for conservation has already been slashed to threadbare levels. As noted at recent commission meetings, the flagship Natural Area Reserve System is currently operating without key staff on Maui and the Big Island, and cutting funding by another 50% as in this bill would do irreversible damage to our watersheds, diversity, and ultimately our agriculture and what supports us. Many of the NARs are the last fragments of the wao akua, the realm of the gods; we cannot allow them to degenerate into wastelands.

Dr. Karl Magnacca
Researcher
University of Hawai‘i–Hilo
Dept. of Biology

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 16, 2010 12:21 PM
To: FINTestimony
Cc: feeter@wave.hicv.net
Subject: Testimony for HB2885 on 2/17/2010 1:30:00 PM

Testimony for FIN 2/17/2010 1:30:00 PM HB2885

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: James & Frances Feeter
Organization: Individual
Address: HC 01 Box 311 HI
Phone: 808 553-9857
E-mail: feeter@wave.hicv.net
Submitted on: 2/16/2010

Comments:

These three funds support very important programs for the people of Hawai'i, including the Natural Area Reserves (which are mostly ceded land); watershed protection; protection of habitat for threatened and endangered Hawaiian species; the Youth Conservation Corps, public-private partnerships on private land; the purchase of land for open space, beach access, cultural sites, recreation, and agriculture; and affordable rental housing.

Funding for these funds has already been reduced by 50% because of the depressed real estate market.

Furthermore, in 2009, to help balance the budget, the state legislature reduced the amount of the conveyance tax going into the Natural Area Reserve Fund and the Rental Housing Trust Fund.

No more cuts to the conveyance tax funds!

I, Jesse Eiben, oppose HB 2885 and any cuts or reductions to the three special funds that are supported by the conveyance tax: the Natural Area Reserve Fund, Land Conservation Fund, and Rental Housing Trust Fund.

These three funds support very important programs for the people of Hawai'i, including the Natural Area Reserves (which are mostly ceded land); watershed protection; protection of habitat for threatened and endangered Hawaiian species; the Youth Conservation Corps, public-private partnerships on private land; the purchase of land for open space, beach access, cultural sites, recreation, and agriculture; and affordable rental housing.

The Natural Area Reserve system is integral to the state in innumerable ways, and they should receive more funds, not less to preserve their integrity. The NAR system is a poster for Hawaii as a destination for tourism and for natural resources research, protection, and conservation. Without monetary support for these unique natural systems, they will degrade, and their cultural and environmental heritage will be lost. Remember, the funds for the NARS are not solely used to preserve small tracks of land. The funds are used more broadly to protect other natural systems and buffer the impact to NARS by stopping invasive species before they arrive onto NARS lands.

Funding for these funds has already been reduced by 50% because of the depressed real estate market.

Furthermore, in 2009, to help balance the budget, the state legislature reduced the amount of the conveyance tax going into the Natural Area Reserve Fund and the Rental Housing Trust Fund.

No more cuts to the conveyance tax funds!

Thank you for considering my testimony opposing HB2885.

Jesse A. Eiben M.S.

Cynthia K.L. Rezentes

87-149 Maipela Street
Wai'anae, HI 96792-3154
Email: rezentesc@aol.com

February 17, 2010

To: Honorable Marcus K. Oshiro, Chair
House Committee on Finance

RE: Opposition to HB 2885 RELATING TO THE CONVEYANCE TAX

I am writing in strong **opposition** to the proposed reductions and suspensions of the conveyance tax funding for the Natural Area Reserve Fund (NARF), Legacy Land Conservation Fund (LLCF), and Rental Housing Trust Fund (RHTF).

These funds have already suffered a significant decrease in the last year due to the downturn of the real estate market. In fact, they have been reduced by over 50% but the market decline alone much less mandated cuts to some of the programs these funds support. This is a higher level of reduction than most, if not all other, state-funded programs have experienced. Any further reductions will have potentially unrecoverable negative effects upon programs dependent on these funds.

For example, the current climate regarding the homeless situation in the state is becoming more negative and less tolerant due to the increasing numbers of unsheltered homeless that are evident in very prominent locations around the state (see the current series in the Star-Bulletin). Any further decrease in funding to the RHTF has a likelihood of affecting the continuing efforts to provide a steady-stream of projects that will provide additional affordable rental housing in the future. If this happens, an additional bottle-neck of moving people from unsheltered homeless, to emergency shelters to transitional shelters to affordable rental or permanent housing will compound the problems of attempting to transition individuals and families away from the revolving door of being homeless.

Affecting the LLCF also has the consequence of affecting our future by not taking advantage of protecting our natural resources for future generations. The LLCF brings in 2-1/2 times what is spent to acquire agriculture, conservation, historic and culture lands. In this economic downturn in the real estate market, it makes sense to continue to this fund to take advantage of those lands which may be put on the market at a lower cost so that we can acquire those lands for the future generations of not only our residents but also our visitors who comprise a large portion of our economy.

The NARF is so critical to the health and well-being, not only of our lands but also of our life-style. As it is, we continue to debate where our clean water comes from. Funding from NARF helps us to maintain that wonderful, clean drinking water. What about our threatened and endangered species? The NARF fund helps maintain lands and provide protection to both plants and animals that, otherwise, would be even more hard-pressed to survive today.

We talk about how important our visitor industry is. We have heard that stated over and over again. These three funds directly affect our visitor industry because they address those areas that are precious not only to our residents but also to our visitors. We need to make sure that as we react to a near-term problem we do not lose sight of the long-term vision of what we want Hawai'i to continue to look like.

Therefore, I respectfully request that this bill be **held**.

Mahalo nui loa,

Cynthia K.L. Rezentes

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 16, 2010 1:25 PM
To: FINTestimony
Cc: medeiros_matthew@hotmail.com
Subject: Testimony for HB2885 on 2/17/2010 1:30:00 PM

Testimony for FIN 2/17/2010 1:30:00 PM HB2885

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Matthew Medeiros
Organization: Individual
Address:
Phone:
E-mail: medeiros_matthew@hotmail.com
Submitted on: 2/16/2010

Comments:

* I oppose HB 2885 and any cuts or reductions to the three special funds that are supported by the conveyance tax: the Natural Area Reserve Fund, Land Conservation Fund, and Rental Housing Trust Fund.

* These three funds support very important programs for the people of Hawai'i, including the Natural Area Reserves (which are mostly ceded land); watershed protection; protection of habitat for threatened and endangered Hawaiian species; the Youth Conservation Corps, public-private partnerships on private land; the purchase of land for open space, beach access, cultural sites, recreation, and agriculture; and affordable rental housing.

* Funding for these funds has already been reduced by 50% because of the depressed real estate market.

* Furthermore, in 2009, to help balance the budget, the state legislature reduced the amount of the conveyance tax going into the Natural Area Reserve Fund and the Rental Housing Trust Fund.

* No more cuts to the conveyance tax funds!

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 16, 2010 1:32 PM
To: FINTestimony
Cc: MichelleGorhamJones@gmail.com
Subject: Testimony for HB2885 on 2/17/2010 1:30:00 PM

Testimony for FIN 2/17/2010 1:30:00 PM HB2885

Conference room: 308
Testifier position: oppose
Testifier will be present: Yes
Submitted by: Michelle Gorham Jones
Organization: Individual
Address: 111 Hekili Street Honolulu, HI
Phone: 802-345-0742
E-mail: MichelleGorhamJones@gmail.com
Submitted on: 2/16/2010

Comments:

I oppose HS 2885 as it would negatively impact the numerous programs the conveyance tax supports. The programs funded by the NARF have demonstrated success over the years and, in the time of economic stress, many of the programs applied for and secured ARRA funds to benefit Hawaii's communities and natural resources. These programs are a model of effective government and it would be a shame to hinder their success.

Aloha,

I am an employee of East Maui Watershed Partnership (EMWP). I am submitting written testimony as a member of the conservation community, and as a concerned citizen regarding the potential consequences of House Bill 2885. This bill proposes a reduction in monies for the Natural Area Reserve Fund (NARF) which supports programs like the Watershed Partnership Program (WPPG) work to restore native habitat and protect our water resources.

WPPG is the largest single source of funds for EMWP's watershed protection program. It accounts for approximately 66% of all salaries, goods, services, utilities and other miscellaneous operating costs associated with EMWP's program operations.

Drastic cuts to the WPPG FY10 have resulted in a 52% budget loss for EMWP. This is a loss of \$410,000.00 in State dollars in fiscal year 2010, translating to the loss of the equivalent of 7.2 staff in fiscal year 2010. EMWP has sought out and successfully secured new sources of funding to make up for a portion of the deficit in FY10. Unfortunately federal stimulus funds are a one-time opportunity and EMWP will need to aggressively seek out new grants to stabilize its budget.

The proposed reduction or elimination of WPPG funds in FY11 and FY 12 will result in:

- Loss of \$50,000.00 - \$100,000.00 in State dollars in fiscal year 2011.
- This translates to the loss of 1 staff in fiscal year 2010. EMWP will maintain as many of its staff as possible by reducing operating costs.
- Loss of the ability to leverage \$50,000.00 - \$100,000.00 in matching and leveraged funds for non-state money in FY2011 and FY12.
- EMWP will have to prioritize all projects and only mission essential projects will be undertaken. All other projects will end or be put on hold.
- Layoffs for all remaining staff and shutdown of operations if outside sources cannot be secured.

EMWP regularly uses 18 local vendors and periodically 9 other local vendors, all of which will be affected by EMWP's limited operations and potential shutdown. A reduction in WPPG fund monies will have similar impacts to the other 4 Watershed Partnerships in Maui County.

Funding cuts will significantly decrease gains made over the last 17 years in East Maui to protect this critical watershed which provides over 60 billion gallons of water per year for agricultural and community use. Cuts will lead to deterioration of the forested watershed, which could impact water production, flooding, and public health. In addition, it will likely cost the state more money to restore the area in the future. I strongly urge you to reconsider the reduction of these funds and help us maintain stewardship of our native forests and water resources.

Mahalo,
Audrey Tamashiro-Kamii

Dear Representatives,

I am writing to oppose HB2885, which would cut funding for conservation organizations, including the Natural Area Reserve (NAR) program, which would receive a proposed cut of 50% to their already reduced budget. I am a biologist studying native insects at the University of Hawaii. Hawaii is the endangered species hotspot of the US, with most of its biodiversity threatened. Programs such as the NAR program are helping to preserve this biodiversity, with attention not only to the charismatic native birds, which receive the bulk of federal, state, and private conservation funds, but also to native plants, snails, and insects, which make up by far the bulk of biodiversity in Hawaii. Most people are not aware that Hawaii has over 5000 species of native insects (NOT including things like roaches, ants and other pests, which are alien species). These species are found nowhere else in the world, and most of them are confined to natural areas. The NAR program is making great progress towards protecting these species, and recently have taken steps to focus more on the diversity of native insects, which is a very positive change, since they are a much greater part of the native ecosystem than birds and mammals. I would hate to see the NAR program forced to make more cuts just as they are starting to be more innovative and inclusive with their conservation efforts.

Thank you,

William Haines

FINTestimony

From: mailinglist@capitol.hawaii.gov
sent: Tuesday, February 16, 2010 9:20 AM
To: FINTestimony
Cc: rubinoff@hawaii.edu
Subject: Testimony for HB2885 on 2/17/2010 1:30:00 PM

Testimony for FIN 2/17/2010 1:30:00 PM HB2885

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Daniel Rubinoff
Organization: Individual
Address: 3029 Lowrey Ave Honolulu, HI
Phone: 375-8520
E-mail: rubinoff@hawaii.edu
Submitted on: 2/16/2010

Comments:

Dear Legislators,

As a biologist I am very concerned to hear that HB2885 will be cutting funding to our already challenged Natural Area Reserve System. As I am sure you all know, Hawaii's native ecosystems are some of the most damaged and fragile on the planet. The NARS system preserves a few precious remnants of what is uniquely Hawaiian. Cutting funding -which is already inadequate-will permanently endangered these precious reserves because once damage is done to them, it is very hard to reverse. For the sake of future generations I hope you will vote NO on HB2885.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 16, 2010 9:33 AM
To: FINTestimony
Cc: kh6tb@hawaii.rr.com
Subject: Testimony for HB2885 on 2/17/2010 1:30:00 PM

Testimony for FIN 2/17/2010 1:30:00 PM HB2885

Conference room: 308
Testifier position:
Testifier will be present: No
Submitted by: Melvin Yoshioka
Organization: Hawaiian Trail and Mountain Club
Address: 94-260 Kaholo ST. Mililani, HI
Phone:
E-mail: kh6tb@hawaii.rr.com
Submitted on: 2/16/2010

Comments:

We oppose HB 2885 and any cuts as the conveyance tax supports Natural Area Reserve Funds, Land Conservation Funds, and Rental Housing Trust Fund. These funds were already reduced by 50% as a result of the depressed real estate market.

We need to protect our watershed, habitat for threatened and endangered Hawaiian species. The funds will help purchase land for open space, beach access, cultural sites, recreation and agriculture; and affordable rental housing.

Thank you for your consideration.

Mel Yoshioka

Chris Yuen
P.O. Box 5
Ninole, HI 96773

February 16, 2010

Testimony to House Finance Committee re HB2885

Please do not pass HB 2885, which would divert funds from the conveyance tax which currently go toward the Natural Area Reserve System and the Land Conservation Fund. These programs are already facing a serious decline in funding because of lower revenues from the conveyance tax.

These are crucial programs for Hawai'i. They protect some of our most precious lands and ecosystems. These natural systems cannot be duplicated or rebuilt if lost. They need this long-term dedicated funding.

Yours truly,

Chris Yuen

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 16, 2010 9:51 AM
To: FINTestimony
Cc: pt@philipt.com
Subject: Testimony for HB2885 on 2/17/2010 1:30:00 PM

Testimony for FIN 2/17/2010 1:30:00 PM HB2885

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Philip Thomas
Organization: Individual
Address: Maui Kihei, HI
Phone:
E-mail: pt@philipt.com
Submitted on: 2/16/2010

Comments:

There is NO HIGHER PRIORITY than "land conservation and the natural area reserve system" in the state of Hawaii.

Dropping funding for these already-underfunded and CRITICAL programs will set conservation efforts back for DECADES in this state.

The problem with stopping (the precious little) natural area management that is being done with this funding is that the CONSEQUENCES ARE IRREVERSIBLE, unlike *ANY OTHER* item on the state's agenda. The degradation of natural areas in Hawaii is a PERMANENT LOSS TO THE WORLD.

It would be a tragedy if the timeless unique natural history of Hawaii--which occurs NOWHERE ELSE ON THE PLANET--is further degraded because of glitch in finances.

THE PROBLEMS THIS BILL WOULD CAUSE ARE IRREVERSIBLE--and inexcusable.

Please REJECT this ill-conceived legislation.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Tuesday, February 16, 2010 12:46 PM
To: FINTestimony
Cc: asamitsu@mac.com
Subject: Testimony for HB2885 on 2/17/2010 1:30:00 PM

Testimony for FIN 2/17/2010 1:30:00 PM HB2885

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Gavin Shiraishi
Organization: Individual
Address: 94-286 Waipahu St. Waipahu, Hawaii
Phone: (808) 227-2898
E-mail: asamitsu@mac.com
Submitted on: 2/16/2010

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 16, 2010 12:47 PM
To: FINTestimony
Cc: ferentinos@hawaii.rr.com
Subject: Testimony for HB2885 on 2/17/2010 1:30:00 PM

Testimony for FIN 2/17/2010 1:30:00 PM HB2885

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Lisa Ferentinos
Organization: Individual
Address: 41041 Hinalea St Waimanalo HI
Phone: 259-5376
E-mail: ferentinos@hawaii.rr.com
Submitted on: 2/16/2010

Comments:

Cutting the percentage of the conveyance tax that goes to the Natural Area Reserve Fund is penny wise but pound foolish. The cuts will devastate the watershed partnership program, responsible for safeguarding 2 million acres of mauka forests that form the sponge that feeds our drinking water aquifers. The minor state investment is key to leveraging non-state funds, currently at approximately \$5million per year. The significant investments made in infrastructure such as protective fencing, firebreaks, and removal of invasive habitat-altering species will be lost. It would be like spending millions to build a roof over your house and then deciding to not maintain it. Our mauka forests are like the roof of our islands and need to be maintained. Ignoring the environment due to a downturn in the economy will increase the price our children will pay for water and other ecosystem services. During the Depression of the 1930's our government made the wise decision to put unemployed people to work planting trees, removing weeds and controlling destructive feral animals. All citizens of Hawaii still benefit from their efforts. Please don't ignore the lessons of history!

Aloha, Lisa Ferentinos

HB 2885

February 16, 2010

Dear House of Representatives, 25th Legislature:

While it may be true that the rental housing trust fund has a balance that is sufficient for its purposes, it is certainly not equally true that the land conservation fund or NAR fund are similarly robust to achieve their goals between now and June 30, 2012. To reduce this funding risks backsliding on the achievements made by these programs to date and loosing the experienced people that have made them possible. Furthermore, the achievements to date have been modest (but a good start), and should be built on, not cast aside. Please revise HB 2995 so as not to reduce funding to the conservation and NAR funds. Our natural resources and watersheds are too important during this time of environmental uncertainty to ignore.

Jim Hayes
3104 O'ahu Avenue
Honolulu, HI 96822

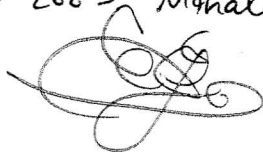
February 16, 2010

Subject: Testimony Opposing HB2885 (scheduled for 2/17, 1:30pm Rm 308)

Aloha Members of the House Finance Committee,

I am writing to strongly oppose HB2885 which would halve the portion of the conveyance tax revenue to the Natural Area Reserve Special Fund. This fund is essential for continuing protection of Hawaii's environment, endangered species, forests (and source of water retention & control) as well as provides local jobs. For instance, I was once employed by the Hawaii Youth Conservation Corps, which provides hundreds of local youth natural resource training and job experience while working to protect Hawaii's ecosystem services. The Youth Conservation Corps is just one of the many programs supported by the Natural Area Reserve Special Fund which preserves Hawaii's quality of life by protecting the environment.

I would argue that environmental protection is one of the highest priorities even during this budget crisis as a healthy environment supports the tourism industry as well as is essential for the basic needs all residents have - clean water, clean oceans, protection from harmful invasive species like Cokeri frogs & fire ants, as well as unquantifiable benefits that make Hawaii unique such as our cultural heritage and plant & animal species that are found nowhere else. Please oppose HB 2885. Mahalo.



EMMA YUEN

Apt 1209
1350 Ala Moana Blvd. Honolulu, HI 96814
(808) 366-4788 NANUEM1@GMAIL.COM

February 15, 2010

TO: COMMITTEE ON FINANCE

Rep. Marcus R. Oshiro, Chair

Rep. Marilyn B. Lee, Vice Chair

FROM: Mary Ikagawa, Kailua



RE: OPPOSING HB 2885, to be heard Wed., Feb. 17, 1:30 p.m., Room 308

Cuts have already been made to the funds going to land conservation and affordable rental housing. Furthermore, the premise provided in the opening text of this bill, that "higher priorities than land conservation and the natural area reserve system exist," is wrong. The security of these islands depends on our maintaining healthy land and water, and the security of the population depends on residents being able to live in dignified conditions. We cannot cut the small amount of funds dedicated to these goals any further.

Please vote NO on HB 2885.