

har2-Samantha

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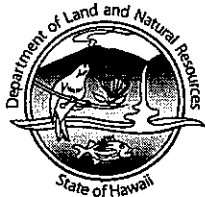
**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, January 26, 2012 7:56 AM  
**To:** WLOtestimony  
**Cc:** moana.bjur@hawaii.gov  
**Subject:** Testimony for HB1976 on 1/27/2012 9:00:00 AM  
**Attachments:** HB1976\_LNR\_01-27-12\_WLO.pdf

Testimony for WLO 1/27/2012 9:00:00 AM HB1976

Conference room: 325  
Testifier position: Comments Only  
Testifier will be present: Yes  
Submitted by: Guy Kaulukukui  
Organization: Department of Land and natural Resources  
E-mail: [moana.bjur@hawaii.gov](mailto:moana.bjur@hawaii.gov)  
Submitted on: 1/26/2012

Comments:

NEIL ABERCROMBIE  
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

WILLIAM J. AILA, JR.  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

GUY H. KAULUKUKUI  
FIRST DEPUTY

WILLIAM M. TAM  
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

**Testimony of**  
**WILLIAM J. AILA, JR.**  
**Chairperson**

**Before the House Committee on**  
**WATER, LAND, AND OCEAN RESOURCES**

**Friday, January 27, 2012**  
**9:00 AM**  
**State Capitol, Conference Room 325**

**In consideration of**  
**HOUSE BILL 1976**  
**PROPOSING AN AMENDMENT TO ARTICLE XI OF THE HAWAII CONSTITUTION**  
**TO PROVIDE DEDICATED FUNDING FOR THE HAWAII STATEWIDE TRAIL AND**  
**ACCESS PROGRAM AND THE STATE PARKS SPECIAL FUND**

House Bill 1976 proposes a constitutional amendment that requires .001% of GET revenues to be allocated to the Special Land and Development Fund for the Hawaii statewide Trail and Access Program and the State Parks Special Fund. The Department of Land and Natural Resources (the Department) appreciates the intent of this measure but is concerned about the impact on the Administration's Fiscal Year 2013 General Fund requests.

As drafted, this measure will allow the Department to receive additional revenues of .001% GET to manage public recreational areas within the Department's parks and trails programs.

The Department's General Fund continues to be reduced. For example, the State Parks General Fund appropriation has been reduced over the years from \$8 million in 1992, to less than \$4 million in the current budget. The Department's Division of State Parks has been challenged to keep parks open, and in many instances, is only able to provide minimal services. This situation, in the long run, has increased operational costs due to deferred maintenance.

While the Department welcomes funding to improve the recreational experience of over 10,000,000 annual visitors to Hawaii's state parks and trails, the Department however is concerned about the impact on the Administration's Fiscal Year 2013 General Fund requests.

**har2-Samantha**

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**From:** Lois.H.Kaneshiro@hawaii.gov  
**sent:** Thursday, January 26, 2012 7:51 AM  
**to:** WLOtestimony  
**Cc:** DBFLeg.DIR@hawaii.gov  
**Subject:** HB Nos. 1976 & 1977 - 1/27/12 - 9:00 a.m.  
**Attachments:** HB1976\_BUF\_01-27-12\_WLO.pdf; HB1977\_BUF\_01-27-12\_WLO.pdf

Please confirm receipt by replying to this e-mail.

Thank You

TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON WATER, LAND & OCEAN RESOURCES  
ON  
HOUSE BILL NO. 1976

January 27, 2012

PROPOSING AN AMENDMENT TO ARTICLE XI OF THE HAWAII CONSTITUTION  
TO PROVIDE DEDICATED FUNDING FOR THE HAWAII STATEWIDE TRAIL AND  
ACCESS PROGRAM AND THE STATE PARKS SPECIAL FUND

House Bill No. 1976 proposes a constitutional amendment that requires 0.001 percent of the general excise tax revenues be allocated to the Special Land and Development Fund for the Hawaii statewide trail and access program and the State Parks Special Fund.

While the Department of Budget and Finance supports the general intent of protecting Hawaii's open spaces such as parks and trails, the department opposes House Bill No. 1976 as it proposes a constitutional dedication of resources. It would be more appropriate to fund these programs via the budget process, which allows the Executive Branch and the Legislature to evaluate the funding requirements for parks and trails against other budget priorities and available resources.

## har2-Samantha

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**From:** Makaala Kaaumoana [makaala@hawaiian.net]  
**Content:** Thursday, January 26, 2012 2:21 PM  
**To:** WLOtestimony  
**Subject:** Testimony in support of HB 1976

Aloha Chair Rep. Jerry L. Chang, Chair  
And Vice Chair Rep. Sharon E. Har, Vice Chair  
And committee members

The Hanalei Watershed Hui implements a community authored Watershed Action Plan in Hanalei, Kaua'i. Our kuleana includes the restoration and preservation of the natural, cultural and economic resources of the four ahupua'a of Hanalei.

We strongly support HB 1976 as it provides needed support of access to our traditional gathering places and fishing grounds.

Me ka pono,  
Makaala

Maka'ala Ka'aumoana  
Executive Director  
Hanalei Watershed Hui  
P.O.Box 1285  
Hanalei, HI 96714  
808-826-1985  
808-346-5458 cell  
808-431-4444 fax  
Skype makaala9

*The Hanalei Watershed Hui mission is to support and protect the ecology, cultures and sustainable economies of Hanalei.*

har2-Samantha

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**From:** Tina Desuacido [tina500@juno.com]  
**Sent:** Wednesday, January 25, 2012 2:39 PM  
**To:** WLOtestimony  
**Subject:** Tax Foundation of Hawaii Testimony  
**Attachments:** h1976-12.pdf; h1977-12.pdf

**DATE:** Wednesday, January 25, 2012

House Committee on Water, Land & Ocean Resources

**FROM:** Tax Foundation of Hawaii

Total Pages 3

**FOR:** Representative Jery Chang

**Testifier:** Lowell L. Kalapa, President – Tax Foundation of Hawaii

(Mr. Kalapa will not appear in person at the hearing.)

Date of Hearing – Friday, January 27, 2012

Position: Comments

Time of Hearing – 9:00 am

Number of Copies - 5 copies

**Dedicated** HB 1976 – Proposing an Amendment to Article XI of the Hawaii Constitution to Provide  
Funding for the Hawaii Statewide Trail and Access Program and the State  
Parks Special Fund (1 Page)

HB 1977 - Relating to state parks and trails (2 pages)

# TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

**SUBJECT:** CONSTITUTIONAL AMENDMENT, Disposition for special land and development fund and state parks special fund

**BILL NUMBER:** HB 1976

**INTRODUCED BY:** Evans, Awana, Hanohano, Morikawa, Nakashima and 3 Democrats

**BRIEF SUMMARY:** Amends Article XI of the state constitution by adding a new section to provide that .001 percent of all general excise tax revenues shall be allocated to the special land and development fund for the Hawaii statewide trail and access program and the state parks special fund. Stipulates that the money dedicated under this section shall be appropriated by law and shall not be diverted for any other purposes at any time.

**EFFECTIVE DATE:** Voter approval

**STAFF COMMENTS:** This measure proposes a constitutional amendment to provide that .001 percent of general excise tax revenues derived in a fiscal year be allocated to the: (1) special land and development fund to be used for the statewide trail and access program; and (2) state parks special fund.

The legislature by Act 368, SLH 1989, set a precedent by earmarking \$90 million in general excise tax revenues to be deposited into a special fund established for the purpose of improvement and construction of educational facilities under the department of education. This earmarking was rescinded when the money supply for the general fund started to run dry. If this measure is enacted, it would permit the earmarking of general funds and establish an automatic funding system to the special land and development fund and the state parks special fund. Earmarking general funds to special funds merely diminishes the amount of general funds available to the legislature and is poor tax and finance policy.

The Tax Review Commission noted that the use of this type of special fund financing is a "departure from Hawaii's sound fiscal policies and should be avoided." It also noted that special funds are appropriate where the revenues to the funds maintain some direct connection between a public service and the beneficiary of that service. Even the State Auditor has set this as one of the basic criteria in determining whether or not a special fund is appropriate.

This earmarking of general fund receipts should not be condoned and is a blatant circumvention of the constitutional general fund expenditure ceiling. As such, it represents poor public finance policy and will set another precedent that lawmakers will regret as the demand for general funds grows.

Digested 1/25/12

har2-Samantha

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**From:** mailinglist@capitol.hawaii.gov  
**ent:** Thursday, January 26, 2012 4:43 PM  
**o:** WLOtestimony  
**Cc:** environm@lava.net  
**Subject:** Testimony for HB1976 on 1/27/2012 9:00:00 AM

Testimony for WLO 1/27/2012 9:00:00 AM HB1976

Conference room: 325  
Testifier position: Support  
Testifier will be present: No  
Submitted by: S. Harada  
Organization: Individual  
E-mail: [environm@lava.net](mailto:environm@lava.net)  
Submitted on: 1/26/2012

Comments:

I support HB 1976. If there is any doubt on the necessity of funding trails and parks just google "Hawaii" and take a look at the images people post- the majority are of natural places or nature. Hawaii is renowned for its natural beauty- no construction company can replicate our mountains, coastlines, volcanoes. So this funding helps preserve them. All these images are free advertising - that no PR firm can produce.