



STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

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TESTIMONY OF ALAPAKI NAHALE-A, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE SENATE COMMITTEES ON WAYS AND MEANS
IN SUPPORT OF

SB 2792 SD1, RELATING TO RENEWABLE ENERGY REVENUE

February 28, 2012

Chair Ige, Vice-Chair Kidani, and Members of the Committee:

The Department of Hawaiian Home Lands strongly supports SB 2792 SD1, which identifies supplemental sources of revenue from renewable energy for the Native Hawaiian Rehabilitation Fund. This bill is part of the Governor's administrative package by request of our department.

The Native Hawaiian Rehabilitation Fund (NHRF) is a Hawaiian Home Lands trust fund that supports higher education scholarships, financial literacy training and counseling, agricultural and pastoral technical assistance, and community grants for native Hawaiians. The State Constitution secures 30% of the state revenues from lands previously cultivated as sugarcane lands and water licenses for this fund, but there has been a 94% decline in the revenue stream since this constitutional amendment was enacted in 1978.

This proposal identifies a portion of geothermal royalties (for any new project established after the enactment of this law) and a portion of lease rents derived from Department of Land and Natural

Resources (DLNR) dispositions to renewable energy producers on DLNR lands as new revenue sources from renewable energy development activities that are expected to grow over the next decade. This measure also proposes an increase in the geothermal royalty rate to maintain the royalty sums available to the entities that currently receive a share of the royalties.

In consideration of the conclusion of the Act 14 settlement payments and the limited alternative revenue sources, the passage of this measure ensures the availability of resources to carry out the intent of Section 1, Article XII of the State Constitution and the Hawaiian Homes Commission Act.

Mahalo for the opportunity to testify in strong support of this important measure.