



LATE TESTIMONY

NEIL ABERCROMBIE
GOVERNOR

RICHARD C. LIM
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

WRITTEN ONLY

Statement of
Richard C. Lim
Director

Department of Business, Economic Development, and Tourism
before the

House Committee on Ocean, Marine Resources & Hawaiian Affairs

Wednesday, January 30, 2013

10:00 AM

State Capitol, Conference Room 325

in consideration of

HB 175 RELATING TO THE DEPARTMENT OF HAWAIIAN HOMELANDS.

Chair Hanohano, Vice Chair Cullen, and Members of the Committee:

HB No 175 requires state departments to transfer an aggregate of \$2,500,000 quarterly to DHHL for a total of \$10,000,000 per year.

The Department of Business, Economic Development, and Tourism, (DBEDT) has **strong reservations** regarding the financial impact on DBEDT programs. The bill does not quantify the amount each agency would be required to transfer.

Currently, Act 178, SLH 2006 is the instrument which satisfies the State's obligation to provide the Office of Hawaiian Affairs (OHA) with a 20 percent set aside from revenues generated from the public land trust. In fiscal year 2012, DBEDT's Foreign-Trade Zone Division transferred over \$17,300, and NELHA transferred over \$359,000, as required by Executive Order No. 06-06.

The Foreign-Trade Zone Division and NELHA are special funded and rely solely on revenues generated from operations and leases to support and maintain their programs and facilities. The imposition of any transfers to DHHL would reduce net operating funds and negatively impact the programs. Another concern is that lease revenues and program proceeds tend to decrease in economic recessions, however, the fixed amount of the proposed transfer could result in program reductions when the need for support to businesses is greatest.

Thank you for the opportunity to submit testimony on this bill.

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

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

**Before the House Committee on
OCEAN, MARINE RESOURCES & HAWAIIAN AFFAIRS**

**Wednesday, January 30, 2013
10AM
State Capitol, Conference Room 325**

**In consideration of
HOUSE BILL 175
RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS**

House Bill 175 proposes that ten million dollars (\$10,000,000.00) from the public land trust shall be expended by the Department of Hawaiian Home Lands ("DHHL") for development of farm and home ownership. Under this bill, the departments and agencies that use the lands within the public land trust are required to transfer two million, five hundred thousand dollars (\$2,500,000.00) of revenues collected per quarter to DHHL. While the Department of Land and Natural Resources (Department) is cognizant of the fiscal challenges DHHL and other state agencies must face, the Department nonetheless has serious reservations regarding this measure.

This bill serves to deprive the Department of a significant portion of revenue, resulting in a severe hindrance of the Department's ability to carry out its mission of effective public trust and natural resource management. The Department currently transfers twenty percent of all public land trust revenues to the Office of Hawaiian Affairs ("OHA"), as well as additional revenues to account for amounts owed to OHA by other state agencies that fail to contribute for various reasons. Revenues generated by the public land trust are used to fund various public purposes consistent with the Department's fiduciary obligations to protect, preserve and manage the State's natural resources, including open spaces, conservation and culturally significant lands, wildlife habitat, ocean recreation, aquatic resources, and so on. These revenues fund 100% of the operating expenses of both Land Division and the Office of Conservation and Coastal Lands, as well as three positions in the Commission of Water Resource Management, certain lifeguard services, the dam safety program, the geothermal program; as well as contribute to the protection of threatened and endangered species, eradication and control of invasive species, and to the cost of fighting wild land fires. Moreover, these funds are often used when emergency responses are required due to flooding, earthquakes, rock falls or other natural disasters.

Furthermore, the bill is ambiguous as to whether a one-time or annual payment to DHHL is required. While a one-time payment presents a significant fiscal challenge, depriving the

LATE TESTIMONY

CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ESTHER KIA'AINA
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

Department of such a significant amount of revenue on an annual basis would effectively cripple the Department, resulting in a loss of both programs and personnel. Given the uncertainty regarding the availability of federal funds looming on the horizon, the generation and retention of the maximum amount of revenue possible remains a top priority of the Department.

The Department appreciates that the Administration has come in with a general fund request of \$14,688,526 for both Fiscal Years 2014 and 2015 to support the administrative and operating needs of DHHL. For its part, the Department looks forward to continue working with DHHL to achieve mutual objectives that serve the State's interest.

LATE TESTIMONY

omhtestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, January 29, 2013 4:43 PM
To: omhtestimony
Cc: oilipua64@gmail.com
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HB175

Submitted on: 1/29/2013

Testimony for OMH on Jan 30, 2013 10:00AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Jessica Kaikaina	Individual	Support	No

Comments: Aloha Madam Chair Hanohano. My name is Jessica Oilipua- Kaikaina and I was born and raised in Papakolea on the island of O'ahu. I currently reside in the Panaewa Homestead area on the island of Hawai'i. I am also currently a member of the Kuakini Hawaiian Civic Club of Kona. I am in support of HB175 and feel that the funding from the various State agencies are long overdue! These funds will connect the Homesteaders to programs that benefit their well-being. I would like to urge Madam Chair to also support HB175. Mahalo for allowing my testimony on this very important piece of legislation. me ke aloha, Jessica Oilipua- Kaikaina.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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LIVE TESTIMONY

SHANE AKONI NELSEN

President of the:

KUAKINI HAWAIIAN CIVIC CLUB OF KONA

82-6026 Manini Beach Road

Captain Cook, HI 96704

Shane.nelsen@gmail.com

HB 175

RELATING TO DEPARTMENT OF HAWAIIAN HOMES

Before the House Committees on:

OCEAN, MARINE RESOURCES, AND HAWAIIAN AFFAIRS

Wednesday, January 30, 2013 10:00a.m., Room 325

Aloha Madame Chair Hanohano,

My name is Shane Nelsen, a resident of Kealahou Bay, and President of Kuakini Hawaiian Civic Club of Kona, an organization that advocates for the Hawaiian Community, particularly but not limited to the South Kona region. Our organization **STRONGLY SUPPORTS HB 175; RELATING TO THE DEPARTMENT OF HAWAIIAN HOMES.**

For many years, the Department of Hawaiian Homes fulfilled its own obligation to serve the Native Hawaiian people. Today, obligations that were unforeseen by past Legislators, demand more sustenance, and creative methods to provide homes and programs that serve the wellbeing of the ohana.

Asking for their share of the Public Land Trust Funds from various State agencies, the Department of Hawaiian Homes is a long overdue to collect revenues for the benefit of Native Hawaiians, and to sustain the trust as it was intended by the Federal Government.

Madame Chair, I ask that you and Committee members not only support, but advocate for this long overdue issue. Mahalo for your time.

Na'u no,

Shane Nelsen

President - Kuakini Hawaiian Civic Club of Kona