
A BILL FOR AN ACT

RELATING TO THE KAHO'OLAWA ISLAND RESERVE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The Kaho'olawe island reserve commission is
2 funded predominantly by a trust fund created in 1994 during the
3 federal unexploded ordnance cleanup of Kaho'olawe. Though
4 considerable, federal appropriations totaling approximately
5 \$44,000,000 are now dwindling and have not established a
6 sustainable endowment for the long-term restoration of Kaho'olawe
7 has been established to replace the federal funding.

8 As stated in the federally mandated Kaho'olawe Island
9 Conveyance Commission final report to Congress in 1993, "in the
10 short term, federal funds will provide the bulk of the program
11 support for specific soil conservation projects and related
12 activities. In the longer term, however, state revenues will be
13 needed to continue and enhance those activities initiated with
14 federal funds." For the past twenty years, federal funding has
15 allowed the Kaho'olawe island reserve commission to establish
16 many of its innovative programs that emphasize ancestral and
17 traditional knowledge, utilize a cultural approach of respect



1 and connectivity to the environment, and integrate ancient and
2 modern resource management techniques.

3 In 2004, the management and control of the Kaho'olawe island
4 reserve was transferred from the Navy to the State of Hawaii
5 with the Kaho'olawe island reserve commission as the State agency
6 designated to oversee the use and restoration of the reserve.
7 In the past ten years, the Kaho'olawe island reserve commission
8 has developed innovative restoration projects that work in the
9 extremely harsh conditions of Kaho'olawe and will serve as the
10 foundation for the future restoration of the island.

11 A 2013 state audit of the Kaho'olawe rehabilitation trust
12 fund reported two key findings:

- 13 (1) The trust fund will be depleted by 2016; and
14 (2) The Kaho'olawe island reserve commission lacks a
15 comprehensive and quantifiable restoration plan with
16 performance measures to gauge whether objectives are
17 being met.

18 Also in 2013, the Kaho'olawe island reserve commission
19 embarked on the development of a 2026 strategic plan for
20 Kaho'olawe, thus marking fifty years of occupation of Kaho'olawe
21 by the people of Hawaii. This strategic plan will address the



1 future restoration, management and uses of Kaho'olawe for the
2 State, the people of Hawaii, and, possibly, a future sovereign
3 Native Hawaiian entity. Pursuant to section 6K-9, Hawaii
4 Revised Statutes, the management and control of the Kaho'olawe
5 island reserve shall be transferred to the sovereign Native
6 Hawaiian entity upon its recognition by the state and federal
7 governments; this is anticipated to occur within the timeframe
8 of the 2026 strategic plan.

9 The purpose of this Act is to utilize a portion of state
10 conveyance tax revenue to replenish the Kaho'olawe rehabilitation
11 trust fund to be used for the long-term rehabilitation and
12 maintenance of the Kaho'olawe island reserve.

13 SECTION 2. Section 6K-9.5, Hawaii Revised Statutes, is
14 amended by amending subsection (a) to read as follows:

15 "(a) There is created in the state treasury a trust fund
16 to be designated as the Kaho'olawe rehabilitation trust fund to
17 be administered by the department with the prior approval of the
18 commission. Subject to Public Law 103-139, and this chapter:

19 (1) All moneys received from the federal government for
20 the rehabilitation and environmental restoration of



1 the island of Kaho'olawe or other purposes consistent
2 with this chapter;

3 (2) A portion of the conveyance tax under section 247-7;

4 [~~2~~] (3) Any moneys appropriated by the legislature to the
5 trust fund;

6 [~~3~~] (4) Any moneys received from grants, donations, or
7 the proceeds from contributions; and

8 [~~4~~] (5) The interest or return on investments earned from
9 moneys in the trust fund, shall be deposited in the
10 trust fund and shall be used to fulfill the purposes
11 of this chapter."

12 SECTION 3. Section 247-7, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "**§247-7 Disposition of taxes.** All taxes collected under
15 this chapter shall be paid into the state treasury to the credit
16 of the general fund of the State, to be used and expended for
17 the purposes for which the general fund was created and exists
18 by law; provided that of the taxes collected each fiscal year:

19 (1) Ten per cent shall be paid into the land conservation
20 fund established pursuant to section 173A-5;

21 (2) Twenty-five per cent from July 1, 2009, until June 30,
22 2012, and thirty per cent in each fiscal year



1 thereafter shall be paid into the rental housing trust
2 fund established by section 201H-202; [~~and~~]

3 (3) Twenty per cent from July 1, 2009, until June 30,
4 2012, and twenty-five per cent in each fiscal year
5 thereafter shall be paid into the natural area reserve
6 fund established by section 195-9; provided that the
7 funds paid into the natural area reserve fund shall be
8 annually disbursed by the department of land and
9 natural resources in the following priority:

10 (A) To natural area partnerships and forest
11 stewardship programs after joint consultation
12 with the forest stewardship committee and the
13 natural area reserves system commission;

14 (B) Projects undertaken in accordance with watershed
15 management plans pursuant to section 171-58 or
16 watershed management plans negotiated with
17 private landowners, and management of the natural
18 area reserves system pursuant to section 195-3;
19 and

20 (C) The youth conservation corps established under
21 chapter 193[-]; and



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1 (4) Ten per cent shall be paid into the Kaho'olawe
2 rehabilitation trust fund established by section 6K-
3 9.5., provided that the payments shall not exceed
4 \$3,500,000 annually."

5 SECTION 4. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 5. This Act shall take effect upon its approval
8 and shall be repealed on June 30, 2026, or upon the recognition
9 of the sovereign Native Hawaiian entity by the State of Hawaii
10 and the United States, whichever occurs sooner.

11

INTRODUCED BY: *Mele Carrace*

JAN 17 2014



H.B. NO. 2101

Report Title:

Kaho'olawe Rehabilitation Trust Fund; Conveyance Tax; Annual Payments

Description:

Specifies that 10% of conveyance tax revenue shall be paid each year into the Kaho'olawe rehabilitation trust fund, up to a maximum of \$3.5 million. Provides for repeal on June 26, 2026 or upon the recognition of a sovereign Native Hawaiian governing entity, whichever occurs sooner.

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