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# A BILL FOR AN ACT

RELATING TO THE KAHO'OLAWE 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  
7 Kaho'olawe.

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



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

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

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

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

19 Also in 2013, the Kaho'olawe island reserve commission  
20 embarked on the development of a 2026 strategic plan for  
21 Kaho'olawe, thus marking fifty years of occupation of Kaho'olawe



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

10 The purpose of this Act is to utilize a portion of the  
 11 state conveyance tax revenues to replenish the Kaho'olawe  
 12 rehabilitation trust fund to be used for the long-term  
 13 rehabilitation and maintenance of the Kaho'olawe island reserve,  
 14 and to require the chairperson of the board of land and natural  
 15 resources to appoint the executive director of the Kaho'olawe  
 16 island reserve commission.

17 SECTION 2. Section 6K-5, Hawaii Revised Statutes, is  
 18 amended by amending subsection (e) to read as follows:

19 "(e) The commission, without regard to the requirements of  
 20 chapter 76, may hire employees necessary to perform its  
 21 duties[-], except that the executive director for the commission  
 22 shall be hired by and shall serve at the pleasure of the



1 chairperson of the board of land and natural resources after the  
2 department holds a public hearing, which shall be conducted  
3 pursuant to department rules, on the proposed hiring of the  
4 executive director."

5 SECTION 3. Section 6K-9.5, Hawaii Revised Statutes, is  
6 amended by amending subsection (a) to read as follows:

7 "(a) There is created in the state treasury a trust fund  
8 to be designated as the Kaho'olawe rehabilitation trust fund to  
9 be administered by the department with the prior approval of the  
10 commission. Subject to Public Law 103-139, and this chapter[+],  
11 moneys in the trust fund shall consist of:

12 (1) All moneys received from the federal government for  
13 the rehabilitation and environmental restoration of  
14 the island of Kaho'olawe or other purposes consistent  
15 with this chapter;

16 (2) A portion of the conveyance tax revenues pursuant to  
17 section 247-7, to be used for the long-term  
18 rehabilitation and maintenance of the island reserve;

19 [~~2~~] (3) Any moneys appropriated by the legislature to the  
20 trust fund;

21 [~~3~~] (4) Any moneys received from grants, donations, or  
22 the proceeds from contributions; and



1        [~~4~~] (5) The interest or return on investments earned from  
2                    moneys in the trust fund~~[7]~~.

3        [~~shall be~~] All moneys deposited in the trust fund [~~and~~] shall be  
4 used to fulfill the purposes of this chapter."

5            SECTION 4. Section 247-7, Hawaii Revised Statutes, is  
6 amended to read as follows:

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

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

14            (2) Twenty-five per cent from July 1, 2009, until June 30,  
15                    2012, and thirty per cent in each fiscal year

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

18            (3) Twenty per cent from July 1, 2009, until June 30,  
19                    2012, and twenty-five per cent in each fiscal year

20                    thereafter shall be paid into the natural area reserve  
21                    fund established by section 195-9; provided that the

22                    funds paid into the natural area reserve fund shall be



1 annually disbursed by the department of land and  
2 natural resources in the following priority:

3 (A) To natural area partnerships and forest  
4 stewardship programs after joint consultation  
5 with the forest stewardship committee and the  
6 natural area reserves system commission;

7 (B) Projects undertaken in accordance with watershed  
8 management plans pursuant to section 171-58 or  
9 watershed management plans negotiated with  
10 private landowners, and management of the natural  
11 area reserves system pursuant to section 195-3;  
12 and

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

15 (4) Ten per cent in each fiscal year shall be deposited  
16 into the Kaho'olawe rehabilitation trust fund  
17 established by section 6K-9.5; provided that no more  
18 than \$3,500,000 per fiscal year shall be deposited  
19 into the Kaho'olawe rehabilitation trust fund."

20 SECTION 5. The Kaho'olawe island reserve commission shall  
21 report annually to the legislature on the amount of deposits  
22 made into and amount and detail of expenditures made from the



1 Kaho'olawe rehabilitation trust fund during the year immediately  
2 preceding submission of the report.

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

5 SECTION 7. This Act shall take effect on July 1, 2014;  
6 provided that:

7 (1) This Act shall be repealed on June 30, 2020, or upon  
8 the recognition of the sovereign native Hawaiian  
9 entity by the State of Hawaii and the United States,  
10 whichever occurs sooner; and

11 (2) Sections 6K-5(b), 6K-9.5(a), and 247-7, Hawaii Revised  
12 Statutes, shall be reenacted in the form in which they  
13 read on the day prior to the effective date of this  
14 Act.



**Report Title:**

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

**Description:**

Requires the chairperson of the board of land and natural resources to appoint the executive director of the Kaho'olawe island reserve commission. Deposits a percentage of conveyance tax revenue annually into the Kaho'olawe rehabilitation trust fund, up to a maximum amount. Clarifies the purpose of the deposits. Repealed on June 30, 2020, or upon the recognition of a sovereign native Hawaiian governing entity, whichever occurs sooner. (SD1)

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