
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. (a) 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 (b) The purpose of this Act is to:
- 11 (1) Utilize a portion of the state conveyance tax revenues
 12 to replenish the Kaho‘olawe rehabilitation trust fund
 13 to be used for the long-term rehabilitation and
 14 maintenance of the Kaho‘olawe island reserve; and
- 15 (2) Require the board of land and natural resources to
 16 appoint the executive director of the Kaho‘olawe island
 17 reserve commission.

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

20 "(e) The commission, without regard to the requirements of
 21 chapter 76, may hire employees necessary to perform its
 22 duties[-], except that the executive director of the commission



1 shall be hired by and serve at the pleasure of the board of land
2 and natural resources. Prior to the hiring of the executive
3 director, the department shall hold a public hearing, which
4 shall be conducted pursuant to department rules, on the proposed
5 hiring of the executive director."

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

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

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

17 (2) A portion of the conveyance tax revenues pursuant to
18 section 247-7;

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~~[-]~~.
 3 [~~shall be~~] All moneys deposited in the trust fund [~~and~~] shall be
 4 used to fulfill the purposes of this chapter~~[-]~~; provided that
 5 moneys deposited pursuant to paragraph (2) shall be used for the
 6 long-term rehabilitation and maintenance of the island reserve."

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

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

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

16 (2) Twenty-five per cent from July 1, 2009, until June 30,
 17 2012, and thirty per cent in each fiscal year
 18 thereafter shall be paid into the rental housing trust
 19 fund established by section 201H-202; [~~and~~]

20 (3) Twenty per cent from July 1, 2009, until June 30,
 21 2012, and twenty-five per cent in each fiscal year
 22 thereafter shall be paid into the natural area reserve



1 fund established by section 195-9; provided that the
2 funds paid into the natural area reserve fund shall be
3 annually disbursed by the department of land and
4 natural resources in the following priority:

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

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

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

17 (4) per cent shall be paid into the Kaho‘olawe
18 rehabilitation trust fund established by section 6K-
19 9.5; provided that no more than \$ shall be
20 paid into the Kaho‘olawe rehabilitation trust fund per
21 fiscal year."



1 SECTION 5. Not later than twenty days prior to the
2 convening of each regular session, the Kaho‘olawe island reserve
3 commission shall submit a report to the legislature on:

4 (1) The amount of deposits made into the Kaho‘olawe
5 rehabilitation trust fund; and

6 (2) The amounts and details of expenditures made from the
7 Kaho‘olawe rehabilitation trust fund for the prior
8 fiscal year.

9 SECTION 6. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 7. This Act shall take effect on July 1, 2050;
12 provided that:

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

17 (2) Sections 6K-5(e), 6K-9.5(a), and 247-7, Hawaii Revised
18 Statutes, shall be reenacted in the form in which they
19 read on the day prior to the effective date of this
20 Act.



Report Title:

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

Description:

Requires 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 6/30/2020, or upon the recognition of a sovereign native Hawaiian governing entity, whichever occurs sooner. Effective 7/1/2050. (SD2)

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