

JAN 17 2014

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# 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, the federal appropriation totaling approximately  
5 \$44,000,000 over a period of several years was not substantial  
6 enough to establish a sustainable endowment for the long-term  
7 restoration of 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 of its innovative programs that  
17 emphasize ancestral and traditional knowledge, utilize a



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

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

12 Auditor's Report No. 13-06, Audit of the Kaho'olawe  
13 Rehabilitation Trust Fund, reported two key findings: first,  
14 and more importantly, that the trust fund will be depleted by  
15 2016, and secondly, that the commission lacks a comprehensive  
16 and quantifiable restoration plan with performance measures to  
17 gauge whether objectives are 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 reserve  
5 shall be transferred to the sovereign Native Hawaiian entity  
6 upon its recognition by the state and federal governments, which  
7 is presently anticipated to occur within the time frame of the  
8 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 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 moneys in the trust fund shall consist of:

20 (1) All moneys received from the federal government for  
21 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           to be used for the long-term rehabilitation and  
5           maintenance of the island reserve;  
6        ~~[+2+]~~ (3)   Any moneys appropriated by the legislature to the  
7           trust fund;  
8        ~~[+3+]~~ (4)   Any moneys received from grants, donations, or  
9           the proceeds from contributions; and  
10       ~~[+4+]~~ (5)   The interest or return on investments earned from  
11           moneys in the trust fund,  
12 shall be deposited in the trust fund and shall be used to  
13 fulfill the purposes of this chapter."

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

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

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



- 1           (2) Twenty-five per cent from July 1, 2009, until June 30,  
2                    2012, and thirty per cent in each fiscal year  
3                    thereafter shall be paid into the rental housing trust  
4                    fund established by section 201H-202; [~~and~~]
- 5           (3) Twenty per cent from July 1, 2009, until June 30,  
6                    2012, and twenty-five per cent in each fiscal year  
7                    thereafter shall be paid into the natural area reserve  
8                    fund established by section 195-9; provided that the  
9                    funds paid into the natural area reserve fund shall be  
10                   annually disbursed by the department of land and  
11                   natural resources in the following priority:
- 12           (A) To natural area partnership and forest  
13                    stewardship programs after joint consultation  
14                    with the forest stewardship committee and the  
15                    natural area reserves system commission;
- 16           (B) Projects undertaken in accordance with watershed  
17                    management plans pursuant to section 171-58 or  
18                    watershed management plans negotiated with  
19                    private landowners, and management of the natural  
20                    area reserves system pursuant to section 195-3;  
21                    and



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

3 (4) Ten per cent shall be paid into the Kaho'olawe  
4 rehabilitation trust fund established by section  
5 6K-9.5 in an amount not to exceed \$3,500,000  
6 annually."

7 SECTION 4. Statutory material to be repealed is bracketed  
8 and stricken. New statutory material is underscored.

9 SECTION 5. This Act shall take effect upon its approval  
10 and shall be repealed on June 30, 2026, or upon the recognition  
11 of the sovereign Native Hawaiian entity by the State of Hawaii  
12 and the United States, whichever occurs sooner; provided that  
13 sections 6K-9.5(a) and 247-7, Hawaii Revised Statutes, shall be  
14 reenacted in the form in which they read on the day before the  
15 approval date of this Act.

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INTRODUCED BY:

*J. Kalani Echols*  
~~*Handwritten signature*~~

*Ronald P. Pua*

*Mike Lott*

*Ronald de Bebe*

*[Handwritten signature]*

*[Handwritten signature]*

*Will [unclear]*

*Avoid [unclear]*

*Clementine [unclear]*



*OTM IRE*

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S.B. NO. **2743**

*jm*



# S.B. NO. 2743

**Report Title:**

Kaho'olawe Island Reserve Commission; Conveyance Tax

**Description:**

Authorizes a portion of the conveyance tax revenues to be paid into the Kaho'olawe rehabilitation trust fund for the long-term rehabilitation and maintenance of the Kaho'olawe island reserve. Repeals on the earlier of 6/30/2026 or upon federal and state recognition of the Sovereign Native Hawaiian entity.

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