

JAN 18 2013

A BILL FOR AN ACT

RELATING TO THE HAWAII CHILDREN'S LEGACY TRUST FUND.

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

PART I

1
2 SECTION 1. The purpose of this part is to establish the
3 Hawaii children's legacy trust fund as a means to encourage
4 people to make strong financial investments while supporting
5 conservation, reforestation of Hawaii's native trees,
6 environmental stewardship, sustainable food and energy
7 production, affordable housing, public education, and programs
8 that support and benefit keiki and kupuna. The fund will serve
9 as a repository for federal and state funds, as well as private
10 contributions from corporations and other businesses,
11 foundations, individuals, and other interested parties. The
12 fund will be used to purchase individual native or food-bearing
13 trees that will be grown on state-owned land. The legislature's
14 intent is for the native and food-bearing trees to be used for
15 investment purposes by the State of Hawaii, individual residents
16 of Hawaii, and other individuals and organizations who are
17 interested in financial health, conservation, reforestation,
18 environmental stewardship, sustainable food and energy



1 production, affordable housing, public education, and the well-
2 being of the State's keiki and kupuna.

3 SECTION 2. The Hawaii Revised Statutes is amended by
4 adding a new chapter to be appropriately designated and to read
5 as follows:

6 "CHAPTER A

7 HAWAII CHILDREN'S LEGACY TRUST FUND

8 §A-1 Definitions. As used in this chapter:

9 "Board" means the Hawaii children's legacy trust fund
10 advisory board.

11 "Chairperson" means the chairperson of the board of land
12 and natural resources.

13 "Department" means the department of land and natural
14 resources.

15 "Trust fund" or "fund" means the Hawaii children's legacy
16 trust fund.

17 §A-2 Hawaii children's legacy trust fund; established.

18 (a) There is established the Hawaii children's legacy trust
19 fund as a separate fund of a nonprofit entity having a board of
20 directors and qualifying under section 501(c)(3) of the Internal
21 Revenue Code into which shall be deposited moneys received as
22 provided under subsection (e). The chairperson, with the



1 concurrence of the governor, shall select, in accordance with
2 chapter 103D, the entity based upon the proven record of
3 accomplishment of the entity in administering a similar trust
4 fund.

5 (b) The purpose of the trust fund is to encourage people
6 to make strong financial investments while supporting
7 conservation efforts, the reforestation of Hawaii's native
8 trees, environmental stewardship, sustainable food and energy
9 production, affordable housing, public education, and programs
10 that support and benefit the State's keiki and kupuna.

11 (c) Notwithstanding that the Hawaii children's legacy
12 trust fund is established within a private entity, the
13 department of budget and finance shall have oversight authority
14 over the fund and may make periodic financial audits of the
15 fund; provided that the director of finance may contract with a
16 certified public accountancy firm for this purpose. The
17 chairperson with the concurrence of the governor in their sole
18 discretion may rescind the selection of the entity. If the
19 selection of the entity is rescinded, moneys in the trust fund
20 shall revert back to the State and shall be deemed to be trust
21 moneys.



1 (d) The Hawaii children's legacy trust fund may receive
2 appropriations, contributions, grants, endowments, or gifts in
3 cash or otherwise from any source, including the State,
4 corporations or other businesses, foundations, government,
5 individuals, and other interested parties.

6 (e) The assets of the Hawaii children's legacy trust fund
7 shall consist of:

8 (1) Moneys appropriated to the Hawaii children's legacy
9 trust fund by the state, county, or federal
10 government;

11 (2) Income tax remittances allocated under section 235- ;

12 (3) Private contributions of cash or property; and

13 (4) Income and capital gains earned by the trust fund.

14 (f) The aggregate principal sum deposited in the Hawaii
15 children's legacy trust fund shall be invested by the entity
16 selected under subsection (a) in a manner intended to maximize
17 the rate of return on investment of the trust fund consistent
18 with the objective of preserving the trust fund's principal.

19 (g) If the entity selected under subsection (a) is
20 dissolved, the chairperson, with the concurrence of the
21 governor, shall select a successor entity. If the Hawaii
22 children's legacy trust fund is terminated, the moneys remaining



1 in the trust fund shall revert back to the State and shall be
2 deemed to be trust moneys.

3 (h) The administration of the Hawaii children's legacy
4 trust fund shall be advised by the Hawaii children's legacy
5 advisory board created under section A-3.

6 **§A-3 Hawaii children's legacy trust fund advisory board.**

7 (a) There is established a Hawaii children's legacy trust fund
8 advisory board under the department for administrative purposes.

9 (b) The board shall consist of seven members, who shall be
10 appointed in the manner and serve for the term set forth in
11 section 26-34, as follows:

12 (1) One member of the governor's staff, appointed by the
13 governor;

14 (2) One member to be appointed by the governor from a list
15 of two names submitted by the president of the senate;

16 (3) One member to be appointed by the governor from a list
17 of two names submitted by the speaker of the house of
18 representatives;

19 (4) The chairperson or the chairperson's designee;

20 (5) One member representing a well-established service
21 organization organized in the State, appointed by the
22 governor;



1 (6) One member who is a reputable arborist or other
2 professional educated and experienced in the growth
3 and care of trees, appointed by the chairperson; and

4 (7) One member who is experienced in forest finance or
5 managing a trust fund, appointed by the chairperson.

6 (c) The Hawaii children's legacy trust fund advisory
7 board, in collaboration with the department, shall develop
8 policy, planning, and strategy for the fund; publicize the fund;
9 and solicit public and private moneys for the fund.

10 (d) The Hawaii children's legacy trust fund advisory board
11 shall make the final recommendations to the entity selected
12 under subsection A-2(a) for the expenditure of funds for the
13 following activities:

14 (1) Grantmaking to raise community awareness of the trust
15 fund;

16 (2) Allocation of funds for sustainable forestry
17 operations;

18 (3) Allocation of funds for sustainable energy production;

19 (4) Allocation of funds for sustainable food production;

20 (5) Allocation of funds for affordable housing;

21 (6) Allocation of funds for the benefit of public
22 education;



- 1 (7) Allocation of funds for programs that support and
- 2 benefit the State's keiki;
- 3 (8) Allocation of funds for programs that support and
- 4 benefit the State's kupuna; and
- 5 (9) Administration of the trust fund."

6 SECTION 3. Chapter 235, Hawaii Revised Statutes, is
7 amended by adding a new section to part VI to be appropriately
8 designated and to read as follows:

9 "§235- Additional income designation or check-off
10 authorized. Notwithstanding any law to the contrary, any
11 individual whose state income tax refund for any taxable year is
12 \$2 or more may designate \$2 of the refund to be paid over to the
13 Hawaii children's legacy trust fund established by section A-2,
14 when submitting a state income tax return to the department. In
15 the case of a joint return of a husband and wife having a state
16 income tax refund of \$4 or more, each spouse may designate that
17 \$2 be deposited into the special fund. The director of taxation
18 shall revise the individual state income tax form to allow the
19 designation of contributions to the fund on the face of the tax
20 return and immediately above the signature lines. If no
21 designation was made on the original tax return when filed, a
22 designation may be made by the individual on an amended return



1 filed within twenty months and ten days after the due date for
 2 the original return for such taxable year. A designation once
 3 made, whether by an original or amended return, may not be
 4 revoked."

PART II

6 SECTION 4. The Hawaii Revised Statutes is amended by
 7 adding a new chapter to title 12, subtitle 6, to be
 8 appropriately designated and to read as follows:

"CHAPTER B

ECO-TOURISM PROGRAM

11 **§B-1 Definitions.** As used in this chapter:

12 "Board" means the board of land and natural resources.

13 "Department" means the department of land and natural
 14 resources.

15 "Native or food-bearing tree" means any species of tree
 16 that is native to Hawaii or any species of tree that produces
 17 fruit or nuts for human consumption.

18 **§B-2 Eco-tourism program.** (a) The department shall
 19 establish an eco-tourism program that allows visitors and
 20 residents of Hawaii to contribute towards planting native or
 21 food-bearing trees in designated areas throughout the State.



1 (b) The department shall adopt rules pursuant to chapter
2 91 necessary to carry out the purposes of this chapter.

3 (c) The department may partner with the Hawaii tourism
4 authority and other private businesses to allow and encourage
5 visitors and residents of Hawaii to contribute toward planting
6 native or food-bearing trees in designated areas throughout the
7 State.

8 **§B-3 Planting and selling of native and food-bearing**
9 **trees; cost.** (a) When a person participates in the eco-tourism
10 program by purchasing a native or food-bearing tree to be
11 planted, the tree shall be planted on state-owned land.

12 (b) The cost of participating in the eco-tourism program
13 by purchasing a native or food-bearing tree to be planted shall
14 be \$40. Funds collected shall be deposited into the Hawaii
15 children's legacy trust fund established in section A-2.

16 (c) Any tree planted through the eco-tourism program shall
17 be cared for in perpetuity as a legacy tree by funds from the
18 Hawaii children's legacy trust fund.

19 (d) A person or business who purchases a tree through the
20 eco-tourism program can dedicate that tree to any person. A
21 certificate may be issued in this person's name.



1 (e) The department shall be responsible for designating
2 lands for the trees to be planted and selecting the species of
3 native or food-bearing tree to be planted."

4 **PART III**

5 SECTION 5. In codifying the new sections added by sections
6 2 and 4 of this Act, the revisor of statutes shall substitute
7 appropriate section numbers for the letters used in designating
8 the new sections in this Act.

9 SECTION 6. New statutory material is underscored.

10 SECTION 7. This Act shall take effect upon its approval;
11 provided that section 3 of this Act shall apply to taxable years
12 beginning after December 31, 2012.

13

INTRODUCED BY: Shannon Chun Caldwell



S.B. NO. 810

Report Title:

Department of Land and Natural Resources; Hawaii Children's Legacy Trust Fund; Native Trees; Food-bearing Trees

Description:

Establishes the Hawaii children's legacy trust fund as a separate fund of a nonprofit entity to encourage individuals to make strong financial investments while supporting conservation, reforestation, environmental stewardship, sustainability, affordable housing, public education, and the well-being of the State's keiki and kupuna. Establishes an income tax refund check-off box for the Hawaii children's legacy trust fund. Establishes an eco-tourism program in the department of land and natural resources. Creates a process for local businesses and individuals to purchase native or food-bearing trees to be planted on state-owned land.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

