

STAND. COM. REP. NO. **3340**

Honolulu, Hawaii

APR 04 2014

RE: H.B. No. 2101
H.D. 1
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 2101, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE KAHO'OLAWE ISLAND RESERVE,"

begs leave to report as follows:

The purpose and intent of this measure is to provide for the continued management of the Kaho'olawe island reserve.

More specifically, this measure:

- (1) Allocates a portion of the state conveyance tax revenues to the Kaho'olawe rehabilitation trust fund, which is to be used for the long-term rehabilitation and maintenance of the Kaho'olawe island reserve;
- (2) Requires that the Executive Director of the Kaho'olawe Island Reserve Commission be hired by and serve at the pleasure of the Chairperson of the Board of Land and Natural Resources after the Department of Land and Natural Resources holds a public hearing on the proposed hiring; and
- (3) Requires that the Kaho'olawe Island Reserve Commission report annually to the Legislature on deposits made into



and expenditures made from the Kaho'olawe rehabilitation trust fund.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs, Kaho'olawe Island Reserve Commission, Protect Kaho'olawe 'Ohana, and thirteen individuals. Written comments in opposition were received from the Hawai'i Association of Realtors. The Department of Budget and Finance, Department of Land and Natural Resources, County of Maui Department of Planning, and Land Use Research Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that the Kaho'olawe Island Reserve Commission is funded predominantly by a trust fund that was established in 1994 during the federal unexploded ordnance cleanup of Kaho'olawe. Although the federal government made considerable appropriations to the trust fund, those appropriations are currently dwindling and have not established a sustainable endowment for the long-term restoration of Kaho'olawe. Your Committee also finds that, in its audit of the Kaho'olawe rehabilitation trust fund, the Auditor reported that the trust fund would be depleted by 2016. Your Committee believes that this measure provides a funding mechanism to replenish the trust fund and provide for the long-term rehabilitation and maintenance of the Kaho'olawe island reserve.

Your Committee has amended this measure by:

- (1) Changing the amount and cap amount of the allocation of conveyance tax revenues to unspecified amounts;
- (2) Requiring that the Executive Director of the Kaho'olawe Island Reserve Commission be hired by and serve at the pleasure of the Board of Land and Natural Resources, rather than the Chairperson of the Board of Land and Natural Resources;
- (3) Clarifying that the Reserve Commission's annual report shall be submitted not later than twenty days prior to the convening of each Regular Session of the Legislature;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and



- (5) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2101, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2101, H.D. 1, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



