

TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON OCEAN, MARINE RESOURCES, &  
HAWAIIAN AFFAIRS  
ON  
HOUSE BILL NO. 2665

February 7, 2014

RELATING TO NATIVE HAWAIIANS

House Bill No. 2665 requires the board of trustees of the Office of Hawaiian Affairs (OHA) and the Hawaiian Homes Commission to jointly establish a research, science, and technology park. The bill also authorizes OHA to issue revenue bonds to assist in the financing of projects developed by native Hawaiian entrepreneurs and related research, science, and technology.

The Department offers comments on this bill. Chapter 10, Hawaii Revised Statutes (HRS), authorizes OHA to issue revenue bonds that is independent of the executive branch. As such, the revenues pledged towards the repayment of the bonds issued by OHA must be explicitly excluded from the general revenues of the State, and general appropriations of the Legislature are to be excluded as a repayment source for the bonds. As such, the projects to be financed by such revenue bonds would have to generate sufficient revenues to pay the annual debt service due on the bonds.

Thank you for the opportunity to provide testimony on this measure.



## **Association of Hawaiian Civic Clubs**

P. O. Box 1135  
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### COMMITTEE ON OCEAN, MARINE RESOURCES AND HAWAIIAN AFFAIRS

### HB 2665 RELATING TO NATIVE HAWAIIANS

Friday, 2/07/14; 11:05 am; Room 325

Aloha Madam Chair Hanohano, vice chair Cullen and members of the Committee. I am Soulee Stroud, president of the Association of Hawaiian Civic Clubs speaking in qualified support of HB 2665.

This bill requires the establishment of a Native Hawaiian research, science and technology park. It also requires the Trustees of the Office of Hawaiian Affairs and the Hawaiian Homes Commission to collaborate and establish the park and provides unspecified funds to both OHA and the Commission for the purpose.

This bill adds detailed new language to the Hawaiian Homes Commission Act, as amended. It also amends Chapter 10, HRS adding detailed new language to the Office of Hawaiian Affairs statute. The purpose of the park would be to serve as an incubator and resource center for native Hawaiian entrepreneurs.

While we strongly support the creation of more Hawaiian owned businesses, there is some confusion as to the consistent use of the lower case “n” in “native” throughout the bill. This would indicate that the bill pertains only to Hawaiians that are qualified for benefits of the Hawaiian Home Lands.

We would hope that the opportunities of Hawaiian entrepreneurship would have a much broader application and suggest that an amendment to the bill is in order to include all Native Hawaiians.

Thank you for the opportunity to testify and suggest an amendment.

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**LATE**



**HB2634**  
**RELATING TO CHAPTER 171, HAWAI'I REVISED STATUTES**  
House Committee on Water & Land

February 7, 2014

8:30 a.m.

Room 325

The Office of Hawaiian Affairs (OHA) offers the following **COMMENTS** on HB2634, which authorizes the Board of Land and Natural Resources (BLNR) to extend hotel, resort, commercial and industrial leases up to 55 years upon approval of a development agreement.

OHA has concerns whether the BLNR is fulfilling its fiduciary duty to the public trust by granting hotel, resort, commercial and industrial leases special status over all public land leases by allowing favored lessees the right to have exclusive use of public land for up to 120 years. Fifty-five year leases exceed the length of a generation, effectively tying the hands of communities and future generations of land and resource managers and unduly restricting their ability to make sound decisions. Also, long-term leases often lead to a sense of entitlement on the part of the lessee that can and has resulted in alienation of leased land in Hawai'i.

Moreover, the BLNR is responsible for managing approximately 1.3 million acres of public lands, which are largely comprised of lands that belonged to the last Hawaiian monarch and the sovereign Hawaiian nation and ultimately taken following the United States-aided "illegal overthrow" of the Hawaiian Kingdom. The Native Hawaiian people have never relinquished their claims to these lands and to the extent that HB2634 could allow lessees to have exclusive use of public land for up to 120 years, OHA notes that this may impact the ability of an impending Native Hawaiian Governing Entity to reach a just and fair resolution of Native Hawaiian claims to these ancestral lands.

Mahalo for the opportunity to testify on this measure.

NEIL ABERCROMBIE  
GOVERNOR  
STATE OF HAWAII



JOBIE M. K. MASAGATANI  
CHAIRMAN  
HAWAIIAN HOMES COMMISSION

DARRELL T. YOUNG  
DEPUTY TO THE CHAIRMAN

**STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS**

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**LATE**

COMMENTS OF JOBIE M. K. MASAGATANI, CHAIRMAN  
HAWAIIAN HOMES COMMISSION  
BEFORE THE HOUSE COMMITTEE ON  
OCEAN, MARINE RESOURCES, & HAWAIIAN AFFAIRS ON

**HB 2665, RELATING TO NATIVE HAWAIIANS**

February 7, 2014

Chair Hanohano, Vice-Chair Cullen, and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) provides comments on this bill which proposes to add a section to the Hawaiian Homes Commission Act to establish a Native Hawaiian research, science, and technology park.

While we understand the intent of this measure and we generally support homestead-based or beneficiary-based economic development initiatives, the department has concerns with the implementation of this proposal. If any trust resources (including land) are used in this initiative, it is impractical to implement this bill and ensure that these resources are used only for the benefit of our beneficiaries. We do not consider this legislation and this proposed amendment to the Act the best mechanism to create a resource center for Native Hawaiian entrepreneurs.

Thank you for your consideration of our comments.