

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**

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF JOBIE M. K. MASAGATANI, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE SENATE COMMITTEE ON HAWAIIAN AFFAIRS
IN SUPPORT OF

SB 2268, RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS

January 31, 2014

Chair Shimabukuro, Vice-Chair Hee, and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) is in support of this bill which provides the department funding from the general excise tax revenues for operational expenses.

DHHL has not received sufficient funding from the legislature for its operations since the department was established in 1960, and we welcome these resources from the general excise tax to support salaries and administrative expenses. The department also recognizes that these resources would supplement other appropriations from the legislature for operations pursuant to a final decision in the Nelson case.

Thank you for your consideration of our testimony.

From: mailinglist@capitol.hawaii.gov
To: [HWNTestimony](#)
Cc: dreanalee.k.kalili@hawaii.gov
Subject: Submitted testimony for SB2268 on Jan 31, 2014 13:30PM
Date: Thursday, January 30, 2014 1:39:56 PM
Attachments: [SB2268_HHL_01-31-14_HWN.doc](#)

SB2268

Submitted on: 1/30/2014

Testimony for HWN on Jan 31, 2014 13:30PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Jobie Masagatani	Department of Hawaiian Home Lands	Support	Yes

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Auamo I Na Alaka'i (AINA)

"AINA supports all Hawaiian Homestead community organizations in Hawai'i by strengthening their capacity building and discovering opportunities towards self governance through education, training and exploration."

TESTIMONY *IN STRONG SUPPORT TO* SB 2268 RELATING TO

DEPARTMENT OF HAWAIIAN HOME LANDS

SENATE COMMITTEE ON HAWAIIAN AFFAIRS

Chairwoman M. Shimabukuro, Vice Chair C. Hee

Committee Members

NOTICE OF HEARING

Friday, January 31, 2014

1:30 p.m.

Conference Room 224

Hawaii State Capitol

415 South Beretania Street

Madame Chair Shimabukuro and Vice Chair Hee and Committee Members, Aloha!

We strongly support SB 2268 relating to the Department of Hawaiian Home Lands (DHHL) and the inclusion of the receipts later to be defined with respect to the amount of the general excise tax collected to be deposited into the Hawaiian homes administration account for operational expenses.

We appreciate the opportunity to submit this testimony and willing to be called upon as needed.

Mahalo nui loa,

Paul P. Richards

President

<Signature>

Josiah "Uncle Black" Ho'ohuli

Vice-President

<Signature>

Shirley Swinney

Secretary

From: mailinglist@capitol.hawaii.gov
To: [HWNTestimony](#)
Cc: paul_28827@msn.com
Subject: Submitted testimony for SB2268 on Jan 31, 2014 13:30PM
Date: Thursday, January 30, 2014 10:14:19 AM
Attachments: [AINA Testimony 013114 SB 2268.pdf](#)

SB2268

Submitted on: 1/30/2014

Testimony for HWN on Jan 31, 2014 13:30PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Paul P Richards	Auamo I Na Alaka'i (AINA)	Support	No

Comments: Mahalo for the opportunity to submit our testimony.

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TAXBILLSERVICE

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SUBJECT: GENERAL EXCISE, Disposition for Hawaii home administration account

BILL NUMBER: SB 2268

INTRODUCED BY: Chun Oakland and Galuteria

BRIEF SUMMARY: Amends HRS section 237-31 to provide that \$_____ in general excise tax revenues shall be deposited into the Hawaiian home administration account commencing with the fiscal year 2014-2015.

Amends section 213(f) of the Hawaiian Homes Commission Act of 1920 to provide that general excise tax realizations made pursuant to HRS section 237-31 shall be expended for operational expenses of the department of Hawaiian home lands.

EFFECTIVE DATE: July 1, 2014

STAFF COMMENTS: The proposed measure appropriates an unspecified amount of general excise tax revenues into the Hawaiian home administration account of the department of Hawaiian home lands. It should be noted that as with any earmarking, the legislature will be giving their stamp of approval for another “automatic funding” mechanism, in this case the earmarking of general excise tax revenues for the operational expenses of the department of Hawaiian home lands. Funds would be diverted to the special fund without any legislative intervention. Without legislative scrutiny, it would be difficult to determine whether there were sufficient or insufficient funds for such expenses. More importantly, the diversion of general excise tax revenues proposed by this measure would mean that there would be that much less in general funds for other programs and services.

The danger in adopting this measure is that it may spawn additional requests for funding of other departments or agencies through the earmarking of general excise tax revenues. How soon lawmakers have forgotten how earmarking general fund revenues can get the state into trouble. Remember 1989, when lawmakers approved earmarking \$90 million for educational facilities as the “commitment” to education and only three years later took back the earmarking because general fund revenues started to dwindle. Further, rather than spurring on construction of classrooms, the earmarking merely created apathy as school officials knew they would receive \$90 million off the top and they didn’t have to justify a request for funding. Instead of proposing measures like this, lawmakers should go back and read a little of their own history and learn from their mistakes.

Rather than perpetuating the earmarking of general funds, lawmakers should repeal all earmarking and utilize the appropriation process which would be more accountable than any earmarking scheme. At least lawmakers will be able to evaluate how the program is working and whether or not the program is being fully utilized. Further, to the degree it would siphon off what has traditionally been a general fund receipt, this measure violates the spirit, if not the language, of the general fund expenditure ceiling.

Digested 1/30/14

From: mailinglist@capitol.hawaii.gov
To: [HWNTestimony](#)
Cc: tina@tfhawaii.org
Subject: Submitted testimony for SB2268 on Jan 31, 2014 13:30PM
Date: Thursday, January 30, 2014 9:09:09 AM
Attachments: [s2268-14.pdf](#)

SB2268

Submitted on: 1/30/2014

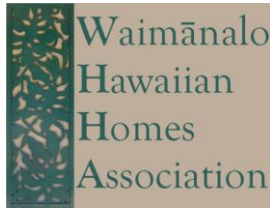
Testimony for HWN on Jan 31, 2014 13:30PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Thomas Yamachika	Tax Foundation of Hawaii	Comments Only	No

Comments: Here is the Tax Foundation of Hawaii testimony on SB 2268.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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P.O. Box 353, Waimānalo, Hawaii 96795-0353

TESTIMONY *IN STRONG SUPPORT TO* SB 2268 RELATING TO

DEPARTMENT OF HAWAIIAN HOME LANDS

SENATE COMMITTEE ON HAWAIIAN AFFAIRS

Chairwoman M. Shimabukuro, Vice Chair C. Hee

Committee Members

NOTICE OF HEARING

Friday, January 31, 2014

1:30 p.m.

Conference Room 224

Hawaii State Capitol

415 South Beretania Street

Madame Chair Shimabukuro and Vice Chair Hee and Committee Members, Aloha!

My name is Paul P. Richards, elected President of the Waimanalo Hawaiian Homes Association and its subsidiary, Na Kuhio 'Ike (NKI) representing 740 households in Waimanalo.

We *strongly support* SB 2268 relating to the Department of Hawaiian Home Lands (DHHL) and the inclusion of the receipts later to be defined with respect to the amount of the general excise tax collected to be deposited into the Hawaiian homes administration account for operational expenses.

We appreciate the opportunity to submit this testimony and willing to be called upon as needed.

Mahalo nui loa,

A handwritten signature in black ink, appearing to read "Paul P. Richards". The signature is fluid and cursive.

Paul P. Richards
President

From: mailinglist@capitol.hawaii.gov
To: [HWNTestimony](#)
Cc: paul_28827@msn.com
Subject: Submitted testimony for SB2268 on Jan 31, 2014 13:30PM
Date: Thursday, January 30, 2014 10:18:14 AM
Attachments: [WHAH Testimony 013114 SB 2268.pdf](#)

SB2268

Submitted on: 1/30/2014

Testimony for HWN on Jan 31, 2014 13:30PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Paul P Richards	Waimanalo Hawaiian Homes Association	Support	No

Comments: We appreciate the opportunity to submit our testimony. Mahalo nui!

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