
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. In Act 340, Session Laws of Hawaii 1993, the
2 legislature found that "the Island of Kaho'olawe is of
3 significant cultural and historic importance to the native
4 people of Hawaii." The legislature also found that due to
5 extensive erosion and other ecological problems, the presence of
6 unexploded ordnance, archaeological and other cultural and
7 historic sites, and the presence of native and endangered flora
8 and fauna, that a new management regime was needed to
9 effectively meet the unique challenges of restoring, preserving
10 and determining the appropriate use of Kaho'olawe.

11 The Kaho'olawe island reserve commission is funded
12 predominantly by a dwindling trust fund created in 1994 during
13 the federal unexploded ordnance cleanup of Kaho'olawe. Though
14 considerable, the federal appropriation totaling approximately
15 \$44,000,000 over a period of several years was not substantial



1 enough to establish a sustainable endowment for the long-term
2 restoration of Kaho'olawe.

3 As stated in the federally mandated Kaho'olawe island
4 conveyance commission final report to Congress in 1993, "in the
5 short term, federal funds will provide the bulk of the program
6 support for specific soil conservation projects and related
7 activities. In the longer term, however, state revenues will be
8 needed to continue and enhance those activities initiated with
9 federal funds." For the past twenty-one years, federal funding
10 has allowed the Kaho'olawe island reserve commission to establish
11 many of its innovative programs that emphasize ancestral and
12 traditional knowledge, utilize a cultural approach of respect
13 and connectivity to the environment, and integrate ancient and
14 modern resource management techniques.

15 In 2004, the management and control of the Kaho'olawe island
16 reserve was transferred from the United States Navy to Hawaii,
17 with the Kaho'olawe island reserve commission being the State's
18 designated agency tasked with overseeing the use and restoration
19 of the reserve. During the past ten years, the Kaho'olawe island
20 reserve commission has been able to develop innovative
21 restoration projects that work in the extremely harsh conditions



1 of Kaho'olawe and will serve as the foundation for the future
2 restoration of the island.

3 A 2013 fiscal audit of the Kaho'olawe rehabilitation trust
4 fund performed by the office of the auditor reported two key
5 findings: first, and more importantly, that the trust fund will
6 be depleted by 2016; and secondly, that the Kaho'olawe island
7 reserve commission lacks a comprehensive and quantifiable
8 restoration plan with performance measures to gauge whether
9 objectives are being met.

10 As Hawaii's natural resource managers work to maintain the
11 balance between the pressure of urbanized land use and
12 preserving and restoring natural resources, there still needs to
13 be remote intact ecosystems that will serve to counteract this
14 growth and provide a means of recovery, in case the State's
15 other main ecosystems collapse. Kaho'olawe's rich marine
16 ecosystem is a buffer that will serve to support and, if
17 necessary, repopulate neighboring waters. The Kaho'olawe island
18 reserve commission's ocean and land based programs serve to
19 ensure, protect, and restore the rich natural biodiversity and
20 biomass of the Kaho'olawe reserve, which one day may be the key
21 to Hawaii's survival. Therefore, it is necessary to consider



1 the expected increase in population and corresponding housing
2 development and the benefit from maintaining a large portion of
3 Hawaii intact for future generations.

4 In 2013, the Kaho'olawe island reserve commission began
5 developing a strategic plan for the use and management of the
6 Kaho'olawe island reserve through 2026, which will mark fifty
7 years of occupation of Kaho'olawe by the people of Hawaii. After
8 a two-year effort that engaged Hawaii's residents through
9 numerous community meetings and focus groups sessions held on
10 each island, the multi-organization Kaho'olawe strategic planning
11 working group developed an island-wide, community-based
12 strategic plan entitled *I Ola Kanaloa*, or "Life to Kanaloa."
13 The plan addresses the future restoration, management, and uses
14 of Kaho'olawe for the State and a potential future sovereign
15 native Hawaiian entity. The plan was developed in accordance
16 with section 6K-9, Hawaii Revised Statutes, which requires the
17 State to transfer management and control of the island and its
18 waters to the sovereign native Hawaiian entity upon its
19 recognition by the State and federal governments. Recognition
20 of a sovereign native Hawaiian entity is anticipated to occur
21 within the timeframe of the 2026 strategic plan.



1 Without additional funding, the Kaho'olawe island reserve
2 commission will not be able to continue its innovative
3 management regime beyond fiscal year 2015. The Kaho'olawe island
4 reserve commission's management and control of Kaho'olawe entails
5 not only restoring its ecosystems and protecting its endangered
6 and rare flora and fauna, but also ensuring meaningful and safe
7 use by people who visit the reserve.

8 The purpose of this Act is to utilize a portion of the
9 state conveyance tax to replenish the Kaho'olawe rehabilitation
10 trust fund:

- 11 (1) For the long-term rehabilitation and maintenance of
12 the Kaho'olawe island reserve;
- 13 (2) To protect and safeguard visitors; and
- 14 (3) To implement the innovative programs that are guided
15 by *I Ola Kanaloa*.

16 SECTION 2. Section 6K-9.5, Hawaii Revised Statutes, is
17 amended by amending subsection (a) to read as follows:

18 "(a) There is created in the state treasury a trust fund
19 to be designated as the Kaho'olawe rehabilitation trust fund to
20 be administered by the department with the prior approval of the
21 commission. Subject to Public Law 103-139, and this chapter:



1 (1) All moneys received from the federal government for
2 the rehabilitation and environmental restoration of
3 the island of Kaho'olawe or other purposes consistent
4 with this chapter;

5 (2) A portion of the conveyance tax, pursuant to section
6 247-7;

7 [~~+2~~] (3) Any moneys appropriated by the legislature to the
8 trust fund;

9 [~~+3~~] (4) Any moneys received from grants, donations, or
10 the proceeds from contributions; and

11 [~~+4~~] (5) The interest or return on investments earned from
12 moneys in the trust fund,

13 shall be deposited in the trust fund and shall be used to
14 fulfill the purposes of this chapter."

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

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



- 1 (1) [~~Ten~~] 10 per cent shall be paid into the land
2 conservation fund established pursuant to section
3 173A-5;
- 4 (2) [~~Twenty-five~~] 25 per cent from July 1, 2009, until
5 June 30, 2012; [~~thirty~~] 30 per cent from July 1, 2012,
6 until June 30, 2014; and [~~fifty~~] 50 per cent in each
7 fiscal year thereafter shall be paid into the rental
8 housing trust fund established by section 201H-202;
9 [and]
- 10 (3) [~~Twenty~~] 20 per cent from July 1, 2009, until June 30,
11 2012, and [~~twenty-five~~] 25 per cent in each fiscal
12 year thereafter shall be paid into the natural area
13 reserve fund established by section 195-9; provided
14 that the funds paid into the natural area reserve fund
15 shall be annually disbursed by the department of land
16 and natural resources in the following priority:
- 17 (A) To natural area partnership and forest
18 stewardship programs after joint consultation
19 with the forest stewardship committee and the
20 natural area reserves system commission;



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1 (B) Projects undertaken in accordance with watershed
2 management plans pursuant to section 171-58 or
3 watershed management plans negotiated with
4 private landowners, and management of the natural
5 area reserves system pursuant to section 195-3;
6 and
7 (C) The youth conservation corps established under
8 chapter 193[-]; and

9 (4) 7.5 per cent shall be paid into the Kaho'olawe
10 rehabilitation trust fund established by section 6K-
11 9.5."

12 SECTION 4. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 5. This Act shall take effect on July 1, 2015.
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INTRODUCED BY: Melde Carroll
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Report Title:

Kaho'olawe Rehabilitation Trust Fund; Conveyance Tax

Description:

Requires a 7.5% of the conveyance tax revenues collected each fiscal year to be paid into the Kaho'olawe rehabilitation trust fund for the long-term rehabilitation and maintenance of the Kaho'olawe island reserve.

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

