



SENATE COMMITTEE ON WATER AND LAND  
The Honorable Karl Rhoads, Chair  
The Honorable Mike Gabbard, Vice Chair

**LATE**

## **H.B. 840, H.D. 1, Relating to the Department of Land and Natural Resources**

Hearing: Wednesday, March 15, 2017, 2:45 P.M.

The Office of the Auditor has **no position** regarding the performance audit of the Department of Land and Natural Resources, Land Division that H.B. No. 840, H.D. 1, requires us to perform. **We, however, support the funding provision within the bill that will allow us to hire additional analysts to perform the requested audit in the required time.**

**In Stand. Com. Rep. No. 564, the House Committee on Water and Land recommended an appropriation of \$300,000 that will allow us to hire additional analysts and a consultant, as necessary, in support of the requested audit.** We currently have 13 line staff, all of whom are assigned to audits and are concerned about our ability to perform the requested audit without additional staff.

Last year, the legislature tasked us with reviewing about 120 tax exemptions, exclusions, credits, and deductions to determine, among other things, the amount of the particular tax incentive and to recommend whether it should be continued, modified or repealed. See Acts 245 and 261, Session Laws of Hawai'i 2016 (codified as sections 23-71 through 23-81 and 23-91 through 23-96, Hawai'i Revised Statutes). Although we are currently uncertain of our staffing needs to properly perform the tax incentive reviews, we expect that a number of staff will be dedicated to that project. The Joint Legislative Audit and Review Committee (JLARC), which is the State of Washington's functional equivalent of our office, has been conducting a similar review of its state's tax incentives, with four full-time analysts dedicated to the tax incentive reviews as well as one-half of both the director and deputy director's time.

Given the number of ongoing audits, statutorily required audits, and the additional examinations the legislature likely will request us to perform, we have concerns about our ability to commit sufficient resources to undertake what likely will be a relatively large, complex audit of the Department of Land and Natural Resources, Land Division. For that reason, we feel that the additional appropriation is necessary for us to do the work required by the bill.

Thank you for considering our testimony related to H.B. No. 840, H.D. 1.

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 15, 2017 6:34 AM  
**To:** WTL Testimony  
**Cc:** fishingready@gmail.com  
**Subject:** \*Submitted testimony for HB840 on Mar 15, 2017 14:45PM\*



**HB840**

Submitted on: 3/15/2017

Testimony for WTL on Mar 15, 2017 14:45PM in Conference Room 224

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ronald Tam	Individual	Support	No

Comments:

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