

STAND. COM. REP. NO.

607

Honolulu, Hawaii

February 15, 2019

RE: H.B. No. 402

H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Water, Land, & Hawaiian Affairs, to which was referred H.B. No. 402 entitled:

"A BILL FOR AN ACT RELATING TO INCREASING THE OFFICE OF HAWAIIAN AFFAIRS' PRO RATA SHARE OF PUBLIC LAND TRUST FUNDS,"

begs leave to report as follows:

The purpose of this measure is to enact legislation as an interim measure to provide the Office of Hawaiian Affairs with the funds to which it is entitled under Article XII, section 6 of the Hawaii State Constitution and section 10-13.5, Hawaii Revised Statutes. Specifically, this measure:

- (1) Establishes \$35,000,000 as the twenty percent pro rata share of public land trust revenues due annually to OHA;
- (2) Transfers the sum of \$139,000,000 to OHA as reimbursement for amounts underpaid from public land trust revenues from the period between July 1, 2012 and June 30, 2019;
- (3) Establishes procedures for the transfer to OHA of a cumulative amount of \$8,750,000 at the close of each fiscal quarter from all departments and agencies of the Executive Branch and the University of Hawaii that collect receipts from lands within the public land



trust, subject to the Governor's authority to determine each department or agency's contribution amount;

- (4) Requires a continuing annual accounting of all receipts derived from public land trust lands; and
- (5) Establishes a public land trust revenues committee within the Department of Land and Natural Resources to study and make regular recommendations on the amount of public land trust revenues to which OHA is entitled as its pro rata share.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs; The Association of Hawaiian Civic Clubs; Ke One O Kakuhihewa-Oahu Council of the Association of Hawaiian Civic Clubs; Kalihi Palama Hawaiian Civic Club; Moku o Keawe-Hawaii Council of the Association of Hawaiian Civic Clubs; Prince Kuhio Hawaiian Civic Club; Makaha Hawaiian Civic Club; We Are One, Inc.; Kamehameha Schools; O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i; Democratic Party of Hawaii, Hawaiian Affairs Caucus; and numerous individuals. The Center for Hawaiian Sovereignty Studies submitted testimony in opposition to this measure. The Hawaii Professional Chapter of the Society of Professional Journalists and League of Women Voters of Hawaii submitted comments.

Your Committee has amended this measure by:

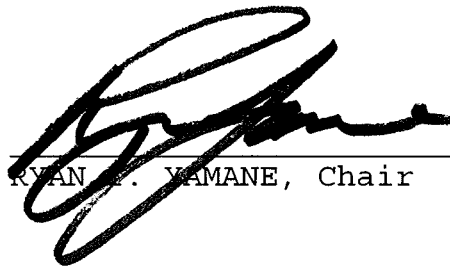
- (1) Changing all specified fund allocation and appropriation amounts to blank amounts;
- (2) Changing the required distribution of public land trust revenue to the Office of Hawaiian Affairs from a quarterly to an annual schedule and deleting the twelve-day time limit for the Director of Finance to review and collect deficiencies from contributing departments and agencies;
- (3) Deleting language that would have authorized the Governor to fix the amounts that each department or agency shall transfer to OHA as public land trust revenues;



- (4) Deleting language that would have required the Department of Land and Natural Resources to consult with OHA to determine the appropriate method to account for the public land trust revenues generated, their distribution, and their disposition;
- (5) Deleting language that would have established a public land trust revenues committee within the Department of Land and Natural Resources;
- (6) Clarifying that all funds transferred to OHA shall be deemed income and proceeds of the public land trust and shall be audited annually;
- (7) Changing its effective date to July 1, 2050 to encourage further discussion; and
- (8) Making nonsubstantive technical amendments for the purpose of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 402, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 402, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Water, Land, &  
Hawaiian Affairs,



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RYAN M. YAMANE, Chair



