

Honolulu, Hawaii

FEB 15 2019

RE: S.B. No. 191  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committees on Water and Land and Hawaiian Affairs, to which was referred S.B. No. 191 entitled:

"A BILL FOR AN ACT RELATING TO STRENGTHENING THE FOUNDATION FOR ENSURING A FAIR AND JUST PAYMENT AMOUNT FOR THE OFFICE OF HAWAIIAN AFFAIRS' PRO RATA SHARE OF THE PUBLIC LAND TRUST,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Codify the accounting and reporting requirements set forth in section 5 of Act 178, Session Laws of Hawaii 2006, with modifications to:
  - (A) Emphasize that the University of Hawaii is subject to the requirements;
  - (B) Emphasize that all public land trust receipts must be accounted for, including those receipts that a department or agency believes may not be subject to the Office of Hawaiian Affairs' pro rata share; and
  - (C) Require the Department of Land and Natural Resources to consult with the Office of Hawaiian Affairs to ensure that the accounting is accurate and inclusive; and



- (2) Require certain explanations and determinations regarding the amount of receipts transferred to the Office of Hawaiian Affairs.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, Hawaii Farmers Union, Connections Public Charter School, Ho'omanapono Political Action Committee, Association of Hawaiian Civic Clubs, Prince Kūhiō Hawaiian Civic Club, O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, Kua'āina Ulu 'Auamo, Kamehameha Schools, Council for Native Hawaiian Advancement, and one individual. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources and Center for Hawaiian Sovereignty Studies.

Your Committees find that state law provides that twenty percent of all funds derived from the public land trust shall be expended by the Office of Hawaiian Affairs for the purposes of chapter 10, Hawaii Revised Statutes. Your Committees further find that Act 178, Session Laws of Hawaii 2006 (Act 178), was enacted with the intent to ensure that an adequate amount of income and proceeds is made available to the Office of Hawaiian Affairs as its pro rata portion of public land trust revenues; however, deficiencies in reporting and accountability have been identified by the Office of Hawaiian Affairs and its contractors over several recent years, including the State's failure to fully account for all gross receipts from the public land trust and the State's apparent reluctance to completely report the public land trust receipts of certain agencies, including the University of Hawaii. Your Committees therefore find that it is now in the best interests of the Office of Hawaiian Affairs, its beneficiaries, the State, and all citizens of Hawaii to clarify, supplement, and codify the reporting and accountability procedures that have been used to implement Act 178.

Your Committees have amended this measure by:

- (1) Replacing the Department of Land and Natural Resources with the Department of Budget and Finance as the lead agency;
- (2) Moving the statutory placement of the new section to chapter 37, Hawaii Revised Statutes, relating to the



budget, rather than chapter 171, Hawaii Revised Statutes, relating to public lands;

- (3) Establishing one full-time equivalent (1.0 FTE) public land trust reporting and accountability officer position in the Department of Budget and Finance to ensure compliance with the public land trust reporting and accounting requirements;
- (4) Requiring the Department of Budget and Finance to request funding in its operating budget every fiscal year for the public land trust reporting and accountability officer position;
- (5) Inserting an effective date of December 31, 2050, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees request that your Committee on Ways and Means consider establishing a matching public land trust reporting and accountability officer position in the Office of Hawaiian Affairs to collaborate with the public land trust reporting and accountability officer in the Department of Budget and Finance. Additionally, your Committees request your Committee on Ways and Means to determine the proper appropriation amount and consider whether alternative sources of funding may be appropriate for the position.

As affirmed by the records of votes of the members of your Committees on Water and Land and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 191, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 191, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on  
behalf of the members of the  
Committees on Water and Land  
and Hawaiian Affairs,



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MAILE S.L. SHIMABUKURO, Chair



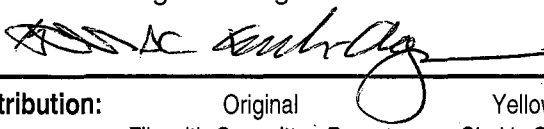
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KAIALII I KAMELE, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Water and Land**  
**WTL**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 191	WTL/HWN,WAM	2/7/2019		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312				
<input checked="" type="checkbox"/> Pass, with amendments 2311				
<input type="checkbox"/> Hold 2310				
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KAHELE, Kaiali'i (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
NISHIHARA, Clarence K.				X
RIVIERE, Gil	X			
FEVELLA, Kurt				X
<b>TOTAL</b>	3			2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes

