

S.B. NO. 2908

JAN 23 2020

A BILL FOR AN ACT

RELATING TO THE PAYMENT OF DEBT SERVICE ON THE TURTLE BAY
REIMBURSABLE GENERAL OBLIGATION BONDS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 173A-13, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "~~{~~§173A-13~~}~~ **Payment of debt service on the Turtle Bay**
4 **reimbursable general obligation bonds.** ~~[Notwithstanding any~~
5 ~~laws to the contrary:~~

6 ~~(1) Beginning July 1, 2015, a nonprofit land conservation~~
7 ~~organization shall file an application annually with~~
8 ~~the] The board [requesting] shall expend \$1,500,000~~
9 ~~per fiscal year from the land conservation fund [to be~~
10 ~~used] for the reimbursement of debt service on the~~
11 ~~Turtle Bay reimbursable general obligation bonds until~~
12 ~~the bonds are fully amortized[?].~~

13 ~~(2) The board shall not require the nonprofit land~~
14 ~~conservation organization that is the recipient of a~~
15 ~~grant for the payment of debt service on the Turtle~~
16 ~~Bay reimbursable general obligation bonds to provide~~
17 ~~any additional matching funds; and~~

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1 ~~(3)~~ Moneys [~~awarded~~] expended for the payment of debt
2 service on the Turtle Bay reimbursable general
3 obligation bonds shall be deposited into the Turtle
4 Bay conservation easement special fund."

5 SECTION 2. This Act does not affect rights and duties that
6 matured and proceedings that were begun before its effective
7 date.

8 SECTION 3. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 4. This Act, upon its approval, shall take effect
11 on July 1, 2020.

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INTRODUCED BY: 

BY REQUEST

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Report Title:

Turtle Bay Conservation Easement; Debt Service

Description:

Streamlines the process for completing the Department of Land and Natural Resources' required annual payment of debt service on the reimbursable general obligation bonds for Turtle Bay.

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

JUSTIFICATION SHEET

DEPARTMENT: Land and Natural Resources

TITLE: A BILL FOR AN ACT RELATING TO THE PAYMENT OF DEBT SERVICE ON THE TURTLE BAY REIMBURSABLE GENERAL OBLIGATION BONDS.

PURPOSE: To streamline the process for completing the Department's required annual payment of debt service on the reimbursable general obligation bonds for Turtle Bay.

MEANS: Amend section 173A-13, Hawaii Revised Statutes (HRS).

JUSTIFICATION: Act 121, Session Laws of Hawaii 2015, authorized the Department of Budget and Finance to issue \$35,000,000 in reimbursable general obligation bonds to be used toward the acquisition a conservation easement and other real property at Turtle Bay, Oahu, for the protection, preservation, and enhancement of natural resources important to the State. The Act also provided under section 173A-13, HRS, that a nonprofit land conservation organization file an application annually with the Board of Land and Natural Resources (Board) requesting \$1,500,000 from the Department's Land Conservation Fund to be used for the reimbursement of debt service on the Turtle Bay reimbursable general obligation bonds.

Currently, and in conjunction with section 173A-9, HRS, the Legacy Land Conservation Program (LLCP) completes a cumbersome and prolonged annual grant application and award process before the Department can make an annual debt service payment under section 171-171, HRS. The existing process is time consuming and requires considerable effort on the part of the LLCP, including multiple steps that involve participation of the Legacy Land Conservation Commission, the Department's Division of Forestry and Wildlife Administrator, and the Department

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Chairperson, and by the nonprofit land conservation organization that is required to file the application on behalf of the Department.

As it is the utmost importance to have the Department meet its annual financial obligation alongside with Transient Accommodation Tax revenues (\$1,500,000) toward clearing the debt service, having a nonprofit land conservation organization file an application annually with the Board requesting \$1,500,000 from the Land Conservation Fund for the reimbursement of debt service on the Turtle Bay reimbursable general obligation bonds appears unnecessary.

The proposed bill would simplify the process required for completing the Department's annual payment of debt service on the reimbursable general obligation bonds for Turtle Bay.

Impact on the public: This bill would eliminate the need for an annual public meeting of the Legacy Land Conservation Commission (Commission) at which the Commission would openly discuss, and provide an opportunity for public testimony about, the application for a debt service grant from the Land Conservation Fund. To date, five public meetings have been held for this purpose and public testimony was in support of the applications.

Impact on the department and other agencies: This bill would relieve the Department of going through the grant application and award process thus freeing up more time and resources for performing its other important activities and functions.

GENERAL FUND: None.

OTHER FUNDS: None.

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PPBS PROGRAM
DESIGNATION: LNR 101.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: July 1, 2020.