

Honolulu, Hawaii

APR 08 , 2022

RE: S.B. No. 2021  
S.D. 1  
H.D. 2

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 2021, S.D. 1, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish twenty percent of the net receipts from the public land trust, or \$15,100,000, whichever is greater, as the Office of Hawaiian Affairs' annual pro rata share of the income and proceeds of the public land trust beginning in fiscal year 2022-2023;
- (2) Require departments, agencies, or entities that collect receipts from public land trust lands, including the University of Hawaii, to determine and transfer to the Office of Hawaiian Affairs that portion of their net receipts from the public land trust collected during each fiscal quarter necessary to ensure that twenty percent of the net receipts from the public land trust, or \$3,775,000, whichever is greater, is transferred to the Office of Hawaiian Affairs within thirty days of the



close of each fiscal quarter, beginning in fiscal year 2022-2023;

- (3) Require departments, agencies, or entities to transfer an unspecified amount from their net receipts from the public land trust collected during fiscal year 2022-2023 to the Office of Hawaiian Affairs;
- (4) Require the Director of Finance or the Director's designee to:
  - (A) Determine the total amount of receipts transferred by any department, agency, or entity that collects receipts from the lands within the public land trust to the Office of Hawaiian Affairs during the immediately prior fiscal quarter; and
  - (B) If the total amount of receipts transferred to the Office of Hawaiian Affairs is less than \$3,775,000 in the immediately prior fiscal quarter, to make up the difference between \$3,775,000 and the amount of receipts transferred in the immediately prior fiscal quarter by establishing the additional amount of receipts that each agency must transfer to the Office of Hawaiian Affairs; and
- (5) Transfer to the Office of Hawaiian Affairs the balance of funds contained in the Carry-Forward Trust Holding Account to pay the Office of Hawaiian Affairs amounts received from the public land trust between July 1, 2021, through June 30, 2022.

Your Committee received testimony in support of this measure from the Makaha Hawaiian Civic Club and four individuals. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources, Center for Hawaiian Sovereignty Studies, Ko'olauloa Hawaiian Civic Club, The Mama Loa Foundation, and one individual. Your Committee received comments on this measure from the Department of Transportation; Department of Budget and Finance; Department of Agriculture; Department of the Attorney General; Office of Hawaiian Affairs; University of Hawai'i System; one member of the Honolulu City Council; Hui Ho'omalua I Ka 'Aina; Ke One O Kakuhihewa; Kūpuna for the Mo'opuna; Hawai'i Alliance for Progressive Action; Hawaiian Affairs Caucus of



the Democratic Party of Hawai'i; Native Hawaiian & Pacific Islander COVID-19 Hawai'i Response, Recovery, and Resilience Team; Kamehameha Schools; Ko'olau Foundation; Ali'i Pauahi Hawaiian Civic Club; Kanu o ka Aina; Kahikinui Hawaiian Homestead Association; and numerous individuals.

Your Committee has amended this measure by:

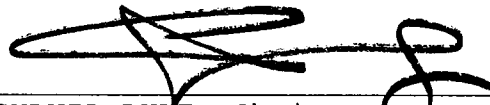
- (1) Establishing twenty percent of all funds derived, rather than net receipts, from the public land trust, or \$21,500,000 whichever is greater, as the Office of Hawaiian Affairs' annual pro rata share of the income and proceeds of the public land trust beginning in fiscal year 2022-2023;
- (2) Removing the substantive provisions regarding the determination and transfer of net receipts from public land trust lands;
- (3) Establishing a working group to determine the subsequent annual pro rata share on income and proceeds from the public land and past due amounts to the Office of Hawaiian Affairs for the period from July 1, 2012, to June 30, 2022;
- (4) Inserting an amount of \$31,000,000 to be appropriated out of the Carry-Forward Trust Holding Account;
- (5) Making it effective upon its approval; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee intends for the amount of \$21,500,000 to serve as the Office of Hawaiian Affairs' interim annual pro rata share of the income and proceeds of the public land trust beginning in fiscal year 2022-2023 while the working group determines a more appropriate amount to recommend to the Legislature. Your Committee notes that this measure appropriates funds out of the Carry-Forward Trust Holding Account established by the Director of Finance pursuant to Governor's Executive Order No. 06-06, but also tasks the working group with determining any further past due sum owed to the Office of Hawaiian Affairs for the period from July 1, 2012, to June 30, 2022.



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2021, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2021, S.D. 1, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,

  
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SYLVIA LUKE, Chair

