

STAND. COM. REP. NO. **1207**

Honolulu, Hawaii

MAR 21 2023

RE: H.B. No. 37
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Hawaiian Affairs, to which was referred
H.B. No. 37 entitled:

"A BILL FOR AN ACT RELATING TO NON-GENERAL FUNDS,"

begs leave to report as follows:

The purpose and intent of this measure is to abolish the
Native Hawaiian Rights Fund of the Office of Hawaiian Affairs
pursuant to the recommendation contained in Auditor's Report No.
22-02.

Your Committee received testimony in support of this measure
from the Office of Hawaiian Affairs. Your Committee received
testimony in opposition to this measure from two individuals.
Your Committee received comments on this measure from the Tax
Foundation of Hawaii.

Your Committee finds that the Office of the Auditor's *Review
of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts
of the Office of Hawaiian Affairs*, Report No. 22-02 (Feb. 2022),
recommended that the Native Hawaiian Rights Fund be closed because
the fund no longer serves the purpose for which it was created.
According to the Auditor's report, the Native Hawaiian Rights Fund
was administratively created by the Office of Hawaiian Affairs in
1987 to hold attorney's fees and costs recovered by the Native
Hawaiian Legal Corporation's Land Title Project. Subsequently,
the Office of Hawaiian Affairs established a direct legal services



contract with the Native Hawaiian Legal Corporation and transferred the balance in the fund to the Public Land Trust on July 14, 2015. Thus, while the fund has been inactivated internally, it still exists in the Financial Accounting and Management Information System. Therefore, this measure formally abolishes the Native Hawaiian Rights Fund.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 37, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 37, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Hawaiian Affairs,



MAILE S.L. SHIMABUKURO, Chair



