

ACT 250

H.B. NO. 1399

A Bill for an Act Relating to Economic Development.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the Molokai community is confronted with serious economic problems. Hawaii's highest unemployment rate coupled with Hawaii's highest energy charges underscores the Molokai residents' burden.

The legislature finds that a program for enhancing Molokai's economy and keeping energy source dollars at home while reducing energy fuel costs and creating employment is a necessary goal for Molokai and for all Hawaii's islands.

The purpose of this Act is to better utilize Hawaii's available resources; to create employment opportunities for Hawaii's residents; and create new approaches to accelerate utilization of Molokai's available and affordable natural products.

SECTION 2. Chapter 171, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated to read as follows:

**"§171- Molokai forest lands, management program established.** (a) There is established in the department of land and natural resources a Molokai forest lands management program to accelerate improved management of Molokai forest lands, including improved management in the following areas:

- (1) Internal access;
- (2) Scheduling of tree harvesting; and

- (3) Scheduling of new plantings and replantings by designated areas with priority to harvesting and replanting for sustained yields of fast growing species suitable for energy production know to thrive in this State. Such new planting and replanting shall not include the use of native forest and watershed land.

(b) The board of land and natural resources shall adopt rules under chapter 91 to implement this section."

SECTION 3. Section 171-113, Hawaii Revised Statutes, is amended to read as follows:

**"§171-113 Definition of agricultural park.** (a) For the purposes of this part, agricultural park [shall mean] means any agricultural or aquacultural complex which combines and concentrates in a common location agricultural or aquacultural activities, or both, for the purpose of production and distribution economies. Agricultural buildings, farm residences, and employee dwellings necessary to the production and distribution of agricultural or aquacultural commodities shall be considered part of the agricultural park.

(b) For the purposes of this section[, the term "aquaculture":

(1) "Agricultural activities" includes tree farming; and

(2) "Aquaculture" means the farming or ranching of any plant or animal species in a controlled salt, brackish, or freshwater environment; provided that such farm or ranch is on or directly adjacent to land."

SECTION 4. Section 186-9, Hawaii Revised Statutes, is amended to read as follows:

**"§186-9 Yield tax; returns; payments; collection.** (a) Upon harvesting of the trees for commercial purposes, the owner [shall,] on forms provided by the department of taxation, shall file monthly returns showing the total stumpage value of the trees cut during the preceding month, together with such other information as may be required.

(b) There shall be annually assessed upon and collected from the owner or owners of the trees cut a yield tax equal to five per cent of the stumpage value of the merchantable trees cut[.], except for trees cut on lands subject to any state forest lands management program or cut in conjunction with any such program which shall be subject to a tax of one-half per cent from July 1, 1983 to June 30, 1985 and on July 1, 1985 which shall increase to two and one-half per cent. This tax shall be in lieu of all real property taxes and all general excise taxes set out in [chapter] chapters<sup>1</sup> 237 and 246. However, returns required hereunder shall be filed, taxes levied hereunder (including penalties and interest thereon) shall be enforced, paid, and collected, and records shall be kept by the taxpayer and shall be open to inspection, all in the same manner required of general excise taxes as provided in chapter 237, except that the stumpage value shall be the value upon which the yield tax shall be computed, levied, and collected.

(c) All trees cut on tree farm property shall be subject to the yield tax except trees cut by the owner for use in the harvesting of trees or for other use by the owner of the tree farm property; provided[, ] that if the trees are sold or conveyed to

the ownership or control of other persons or transferred onto other property, they shall be subject to the yield tax.”

SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$25,000, or so much thereof as may be necessary for fiscal year 1983-1984, for the establishment of a Molokai forest lands management program in the department of land and natural resources Molokai Program. A progress report shall be submitted to the legislature by the department of land and natural resources not later than thirty calendar days prior to the convening of the regular session of 1984.

SECTION 6. The sum appropriated shall be expended by the department of land and natural resources for the purpose of this Act.

SECTION 7. Statutory material to be repealed is bracketed. New material is underscored.<sup>2</sup>

SECTION 8. This Act shall take effect on July 1, 1983.

(Approved June 9, 1983.)

**Notes**

1. So in original.
2. Edited pursuant to HRS §23G-16.5.