

A Bill for an Act Relating to Conveyance Tax.

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

SECTION 1. The legislature finds that with over half of Hawaii's remaining natural lands in private ownership, the legislature in 1991, established the natural area partnership program and the forest stewardship program to provide incentives for private landowners to provide long-term protection of important natural resources on private lands. These incentives were in the form of state matching funds to landowners willing to dedicate their lands to conservation.

The legislature provided for a permanent, dedicated source of funding for the programs by earmarking twenty-five per cent of the conveyance tax revenues for these programs. The legislature's intent was to enhance private participation in the protection and management of conservation lands.

The legislature finds that since the inception of the natural area partnership and forest stewardship programs, significant efforts have given rise to another innovative public-private undertaking involving the collaboration of major landowners and stakeholders to protect thousands of acres of critical watershed areas. The legislature further finds that this effort began with the formation of the East Maui Watershed Partnership in 1991, followed by West Maui Watershed Partnership in 1998, and Koolau Watershed Partnership and East Molokai Watershed Partnership in 1999. Collectively, these partnerships involve some 260,000 acres of land and include an array of major landowners and government agencies including the United States Fish & Wildlife Services, National Park Services, department of land and natural resources, department of Hawaiian home lands, county boards of water supply, and numerous other agencies.

The purpose of this Act is to enable that portion of the conveyance tax revenues that is deposited into the natural area reserve fund to fund watershed management projects. Since the natural area partnership and forest stewardship programs require the dedication of private lands for conservation as well as private matching funds, it is the intent of this Act that in any given fiscal year that the funding needs of these programs be met prior to funding watershed management projects. The legislature finds that this Act is consistent with the original purpose and intent of Act 195, Session Laws of Hawaii 1993, that sought to enhance private sector participation in the protection and management of conservation lands.

SECTION 2. Section 247-7, Hawaii Revised Statutes, is amended to read as follows:

“§247-7 Disposition of taxes. All taxes collected under this chapter shall be paid into the state treasury to the credit of the general fund of the State, to be used and expended for the purposes for which the general fund was created and exists by law; provided that of the taxes collected each fiscal year, twelve and one-half per cent shall be paid into the rental housing trust fund established by section 201G-432 and twenty-five per cent shall be paid into the natural area reserve fund established by section 195-9; provided that the funds paid into the natural area reserve fund shall be annually disbursed [to the natural area partnership and forest stewardship programs] by the department of land and natural resources after joint consultation with the forest stewardship committee and the natural area reserves system commission[.] in the following priority:

- (1) To natural area partnership and forest stewardship programs; and

- (2) Projects undertaken in accordance with watershed management plans pursuant to section 171-58 or watershed management plans negotiated with private landowners.”

SECTION 3. Section 247-7, Hawaii Revised Statutes, is amended to read as follows:

“**§247-7 Disposition of taxes.** All taxes collected under this chapter shall be paid into the state treasury to the credit of the general fund of the State, to be used and expended for the purposes for which the general fund was created and exists by law; provided that of the taxes collected each fiscal year, twenty-five per cent shall be paid into the rental housing trust fund established by section 201G-432 and twenty-five per cent shall be paid into the natural area reserve fund established by section 195-9; provided that the funds paid into the natural area reserve fund shall be annually disbursed [to the natural area partnership and forest stewardship programs] by the department of land and natural resources after joint consultation with the forest stewardship committee and the natural area reserves system commission[.] in the following priority:

- (1) To natural area partnership and forest stewardship programs; and
- (2) Projects undertaken in accordance with watershed management plans pursuant to section 171-58 or watershed management plans negotiated with private landowners.”

SECTION 4. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval; provided that section 3 shall take effect on July 1, 2001.

(Approved June 20, 2000.)