

LINDA LINGLE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

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**Testimony of
LAURA H. THIELEN
Chairperson**

**Before the House Committee on
FINANCE**

**Tuesday, March 3, 2009
5:00 PM
State Capitol, Conference Room 308**

**In consideration of
HOUSE BILL 1145
RELATING TO REMNANT LANDS**

House Bill 1145 proposes to repeal the requirement that no remnant shall be sold by the State to any abutting owner unless the remnant, when combined or consolidated with the abutting property, shall constitute a lot acceptable to the appropriate agency of the county, and to authorize the proceeds from sales of remnants to be deposited into the Land Conservation Fund. The Department of Land and Natural Resources (Department) strongly supports this Administration measure.

The purpose of section 171-52, Hawaii Revised Statutes (HRS), is to allow the Department to dispose of unusable remnants. The Department has experienced many situations in which the requirement that no remnant shall be sold by the State to any abutting owner unless the remnant, when combined or consolidated with the abutting property, shall constitute a lot acceptable to the appropriate agency of the county, prevents the conveyance of remnants and/or places an undue burden on the abutting landowner's acquisition of the remnant. In many instances, the counties seek to impose additional requirements on the abutting owner to address surrounding land issues or infrastructure requirements that have no relevance to the conveyance of the remnant, especially when the abutting owner's only intention is to landscape and maintain the adjacent remnant. The positive public impact would allow the abutting owner quicker acquisition of the remnant lands.

The Department notes that the sale of remnants is not affected by the pending litigation regarding the transfer of ceded lands in Office of Hawaiian Affairs, et al., v. Housing & Community Development Corporation of Hawaii, et al., First Circuit Court, Civil No. 94-4207-11. While the selling or transferring of ceded lands by the State is currently enjoined by the Order Granting Plaintiffs' Request for and Injunction issued on June 3, 2008, the Court specifically excluded the sale of remnants and the issuance of licenses, permits, easements and leases from the injunction.

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This bill also amends section 173A-5(c), HRS, to require any net proceeds, including interest on deferred payments from the sale of remnants to be deposited into the Land Conservation Fund to support the Department's Legacy Lands Program. The declining economy has resulted in a decrease in property transactions and a resulting reduction in conveyance tax revenues that comprise the primary funding source for the program. The State must ensure that the mission of the Legacy Lands Program to maximize the acquisition and preservation of important resource lands for future generations does not fall by the wayside due to severe cost cutting measures adopted during harsh economic times. This bill provides a needed boost to support the diminishing resources for this important program.