

Honolulu, Hawaii

FEB 17 2011

RE: S.B. No. 816
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Water, Land, and Housing, to which was referred S.B. No. 816 entitled:

"A BILL FOR AN ACT RELATING TO THE KAHO'OLAWE ISLAND RESERVE,"

begs leave to report as follows:

The purpose and intent of this measure is to apportion ten percent of the conveyance tax to the Kaho'olawe Rehabilitation Trust Fund.

Your Committee received testimony in support of this measure from Kaho'olawe Island Reserve Commission; Protect Kaho'olawe 'Ohana; 'Ahahui Malama I Ka Lokahi; Ocean Tourism Coalition; Jenna Ishii; Ka'iulani M. Murphy; Michele Chouteau McLean; Vince Kana'i Dodge; David Scibor; Ethan Porter; Natashja Tong; Kevin Gavagan; Eric Brundage; and Kurt Ogomori. Your Committee received testimony in opposition to this measure from the Department of Taxation. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the Kaho'olawe Island Reserve Commission is funded predominantly by a dwindling trust fund created in 1994 during the federal unexploded ordnance cleanup of Kaho'olawe. This federal appropriation, totaling \$44,000,000 over a period of several years, although considerable, was not substantial enough to establish a sustainable endowment for the long-term restoration of Kaho'olawe. For the past sixteen years, the initial federal funding has allowed the Kaho'olawe Island



Reserve Commission to establish many of its innovative programs that emphasize ancestral and traditional knowledge, utilize a cultural approach of respect and connectivity to the environment, and integrate ancient and modern resource management techniques.

Your Committee is sympathetic to the concerns of the numerous individuals who testified in support of the original measure, and finds that this measure will help provide the financial stability necessary to continue the Commission's work.

Your Committee further finds that since the State will assume responsibility for funding the Kaho'olawe Island Reserve Commission under this measure by directing a portion of the conveyance tax into the Trust Fund, an appropriate state agency should oversee the Commission to ensure accountability in the use of those state funds.

Therefore, your Committee has amended this measure by:

- (1) Eliminating the Commission's oversight of the Department of Land and Natural Resources with regard to the control and management of the island reserve; and
- (2) Providing that the Commission and other state agencies shall be subject to the oversight of the Department with regard to the control and management of the island reserve.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 816, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 816, S.D. 1, and be referred to the Committee on Ways and Means.

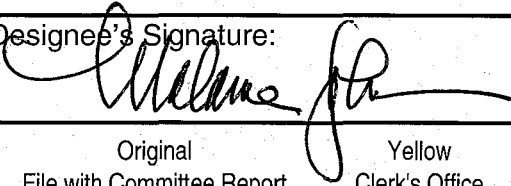
Respectfully submitted on
behalf of the members of the
Committee on Water, Land, and
Housing,


DONOVAN M. DELA CRUZ, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Water, Land, and Housing
WLH

Bill / Resolution No.:* <i>SB 816</i>	Committee Referral: <i>WLH, WAM</i>	Date: <i>02-10-11</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	✓			
SOLOMON, Malama (VC)	✓			
FUKUNAGA, Carol				✓
RYAN, Pohai	✓			
SHIMABUKURO, Maile	✓			
TOKUDA, Jill N.				✓
SLOM, Sam			✓	
TOTAL	4		1	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes