

# S.B. NO. 2791

JAN 25 2012

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## A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Section 213, Hawaiian Homes Commission Act,  
2 1920, as amended, is amended by amending subsection (d) to read  
3 as follows:  
4           "(d) There are established in the treasury of the State  
5 four trust funds, to be known respectively as the Hawaiian home  
6 operating fund, the Hawaiian home receipts fund, the Hawaiian  
7 home trust fund, and the native Hawaiian rehabilitation fund,  
8 and one special fund to be known as the Hawaiian home  
9 administration account. Expenditures and procurements less than  
10 \$250,000 made from these trust funds shall be exempt from  
11 chapter 103D, Hawaii Revised Statutes, but the department shall  
12 develop internal policies and procedures for the procurement of  
13 goods, services, and construction consistent with the goals of  
14 public accountability and public procurement practices for  
15 expenditures from these funds. The department is encouraged to  
16 use the provisions of chapter 103D, Hawaii Revised Statutes,  
17 where possible; provided that the use of one or more provisions  
18 of chapter 103D shall not constitute a waiver of the exemption



# S.B. NO. 2791

**Report Title:**

Department of Hawaiian Home Lands

**Description:**

Exempts expenditures less than \$250,000 from trust funds identified in section 213(d), Hawaiian Homes Commission Act, 1920, as amended, from the requirements of chapter 103D, Hawaii Revised Statutes.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

## JUSTIFICATION SHEET

DEPARTMENT: Hawaiian Home Lands

TITLE: A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS.

PURPOSE: Exempts expenditures from trust funds identified in section 213(d), Hawaiian Homes Commission Act, 1920, as amended, from requirements of chapter 103D, Hawaii Revised Statutes.

MEANS: Amends section 213(d) of the Hawaiian Homes Commission Act, 1920, as amended.

JUSTIFICATION: The department currently operates without the support of general funds from the state, and depends wholly on its trust fund resources. Procurement flexibility on small purchases allows the department to expend trust funds more efficiently to better respond to and address the needs of trust beneficiaries. This flexibility would maintain fairness and transparency, while reducing barriers for Hawaiian homestead associations to become vendors and service providers.

### Impact on the Public:

This measure will create a benefit to the public as streamlined procurement processes expedite contract awards which can stimulate the local economy and potentially create local jobs.

### Impact on the Department and other agencies:

This measure creates two primary benefits: first, the department is empowered to operate similarly to a private land owner and developer, and second, the department can exercise greater self-determination with regard to expending trust funds. This exemption from chapter 103D is a means to allow the department and commission to streamline the expenditure of trust funds. These expenses would be regulated by

internal policies to be approved by the Hawaiian Homes Commission to maintain transparency and accountability. The department and commission would substantially comply with the requirements of chapter 103D. Any general funds expended by the department would be subject to all provisions of chapter 103D. Other public entities, such as the University of Hawaii, have been afforded similar flexibility.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION:

OTHER AFFECTED  
AGENCIES: Accounting and General Services

EFFECTIVE DATE: July 1, 2012.