



**GOV. MSG. NO. 1217**

EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

June 12, 2015

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Twenty-Eighth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Joseph M. Souki,  
Speaker and Members of the  
House of Representatives  
Twenty-Eighth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

This is to inform you that on June 12, 2015, the following bill was signed into law:

HB444 HD3 SD2 CD1

**RELATING TO BEACH PROTECTION  
ACT 117 (15)**

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

RECEIVED  
SENATE  
OFFICE OF THE PRESIDENT

'15 JUN 12 P4:10

RECEIVED  
THE SENATE  
CLERK'S OFFICE  
STATE OF HAWAII

'15 JUN 12 P5:11

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# A BILL FOR AN ACT

RELATING TO BEACH PROTECTION.

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

1 PART I

2 SECTION 1. The legislature finds that Hawaii's beaches are  
3 important and unique components of the array of natural  
4 resources that make our islands a special place for our  
5 residents and an attractive destination for visitors. Recent  
6 studies by researchers at the University of Hawaii indicate that  
7 our beaches are disappearing at an alarming rate, with seventy  
8 per cent of beaches undergoing chronic erosion, over thirteen  
9 miles of beach completely lost to erosion, and inappropriate  
10 shoreline development over the past century. Because of the  
11 growing demand for the use of beaches, the State needs to  
12 reinvest in its beaches, as one of its important and valuable  
13 natural resources, to conserve and restore these important  
14 assets by more efficiently distributing limited financial  
15 resources.

16 The purpose of this part is to allocate transient  
17 accommodations tax revenues to the special land and development



1 fund to finance beach restoration and conservation and other  
2 activities authorized under section 237D-6.5(b) (5), Hawaii  
3 Revised Statutes. This part takes effect on July 1, 2016.

4 SECTION 2. Section 171-19, Hawaii Revised Statutes, is  
5 amended by amending subsection (a) to read as follows:

6 "(a) There is created in the department a special fund to  
7 be designated as the "special land and development fund".  
8 Subject to the Hawaiian Homes Commission Act of 1920, as  
9 amended, and section 5(f) of the Admission Act of 1959, all  
10 proceeds of sale of public lands, including interest on deferred  
11 payments; all moneys collected under section 171-58 for mineral  
12 and water rights; all rents from leases, licenses, and permits  
13 derived from public lands; all moneys collected from lessees of  
14 public lands within industrial parks; all fees, fines, and other  
15 administrative charges collected under this chapter and chapter  
16 183C; a portion of the highway fuel tax collected under chapter  
17 243; all moneys collected by the department for the commercial  
18 use of public trails and trail accesses under the jurisdiction  
19 of the department; transient accommodations tax revenues  
20 collected pursuant to section [~~237D-6.5(b)(2),~~] 237D-6.5(b) (5) ;  
21 and private contributions for the management, maintenance, and



1 development of trails and accesses shall be set apart in the  
2 fund and shall be used only as authorized by the legislature for  
3 the following purposes:

4 (1) To reimburse the general fund of the State for  
5 advances made that are required to be reimbursed from  
6 the proceeds derived from sales, leases, licenses, or  
7 permits of public lands;

8 (2) For the planning, development, management, operations,  
9 or maintenance of all lands and improvements under the  
10 control and management of the board, including but not  
11 limited to permanent or temporary staff positions who  
12 may be appointed without regard to chapter 76;

13 (3) To repurchase any land, including improvements, in the  
14 exercise by the board of any right of repurchase  
15 specifically reserved in any patent, deed, lease, or  
16 other documents or as provided by law;

17 (4) For the payment of all appraisal fees; provided that  
18 all fees reimbursed to the board shall be deposited in  
19 the fund;

20 (5) For the payment of publication notices as required  
21 under this chapter; provided that all or a portion of

- 1 the expenditures may be charged to the purchaser or  
2 lessee of public lands or any interest therein under  
3 rules adopted by the board;
- 4 (6) For the management, maintenance, and development of  
5 trails and trail accesses under the jurisdiction of  
6 the department;
- 7 (7) For the payment to private land developers who have  
8 contracted with the board for development of public  
9 lands under section 171-60;
- 10 (8) For the payment of debt service on revenue bonds  
11 issued by the department, and the establishment of  
12 debt service and other reserves deemed necessary by  
13 the board;
- 14 (9) To reimburse the general fund for debt service on  
15 general obligation bonds issued to finance  
16 departmental projects, where the bonds are designated  
17 to be reimbursed from the special land and development  
18 fund;
- 19 (10) For the protection, planning, management, and  
20 regulation of water resources under chapter 174C; and  
21 (11) For other purposes of this chapter."



1 SECTION 3. Section 237D-6.5, Hawaii Revised Statutes, is  
2 amended by amending subsection (b) to read as follows:

3 "(b) Revenues collected under this chapter shall be  
4 distributed as follows, with the excess revenues to be deposited  
5 into the general fund:

6 (1) \$26,500,000 shall be allocated to the convention  
7 center enterprise special fund established under  
8 section 201B-8;

9 (2) \$82,000,000 shall be allocated to the tourism special  
10 fund established under section 201B-11; provided that:

11 (A) Beginning on July 1, 2012, and ending on June 30,  
12 2015, \$2,000,000 shall be expended from the  
13 tourism special fund for development and  
14 implementation of initiatives to take advantage  
15 of expanded visa programs and increased travel  
16 opportunities for international visitors to  
17 Hawaii;

18 (B) Of the \$82,000,000 allocated:

19 (i) \$1,000,000 shall be allocated for the  
20 operation of a Hawaiian center and the



1 museum of Hawaiian music and dance at the  
2 Hawaii convention center; and

3 (ii) 0.5 per cent of the \$82,000,000 shall be  
4 transferred to a sub-account in the tourism  
5 special fund to provide funding for a safety  
6 and security budget, in accordance with the  
7 Hawaii tourism strategic plan 2005-2015; and

8 (C) Of the revenues remaining in the tourism special  
9 fund after revenues have been deposited as  
10 provided in this paragraph and except for any sum  
11 authorized by the legislature for expenditure  
12 from revenues subject to this paragraph,  
13 beginning July 1, 2007, funds shall be deposited  
14 into the tourism emergency trust fund,  
15 established in section 201B-10, in a manner  
16 sufficient to maintain a fund balance of  
17 \$5,000,000 in the tourism emergency trust fund;

18 (3) \$103,000,000 for fiscal year 2014-2015, \$103,000,000  
19 for fiscal year 2015-2016, and \$93,000,000 for each  
20 fiscal year thereafter shall be allocated as follows:  
21 Kauai county shall receive 14.5 per cent, Hawaii





1 county shall receive 18.6 per cent, city and county of  
2 Honolulu shall receive 44.1 per cent, and Maui county  
3 shall receive 22.8 per cent; provided that commencing  
4 with fiscal year 2018-2019, a sum that represents the  
5 difference between a county public employer's annual  
6 required contribution for the separate trust fund  
7 established under section 87A-42 and the amount of the  
8 county public employer's contributions into that trust  
9 fund shall be retained by the state director of  
10 finance and deposited to the credit of the county  
11 public employer's annual required contribution into  
12 that trust fund in each fiscal year, as provided in  
13 section 87A-42, if the respective county fails to  
14 remit the total amount of the county's required annual  
15 contributions, as required under section 87A-43;

16 (4) \$3,000,000 shall be allocated to the Turtle Bay  
17 conservation easement special fund established under  
18 section 201B-8.6 for the payment of debt service on  
19 revenue bonds, the proceeds of which were used to  
20 acquire the conservation easement in Turtle Bay, Oahu,  
21 until the bonds are fully amortized; and



1           (5) ~~[Of the excess revenues deposited into the general~~  
2           ~~fund pursuant to this subsection,]~~ \$3,000,000 shall be  
3           allocated ~~[subject to the mutual agreement of the~~  
4           ~~board of land and natural resources and the board of~~  
5           ~~directors of the Hawaii tourism authority]~~ to the  
6           special land and development fund established under  
7           section 171-19; provided that the allocation shall be  
8           expended in accordance with the Hawaii tourism  
9           authority strategic plan for:

- 10           (A) The protection, preservation, maintenance, and  
11           enhancement of natural resources, including  
12           beaches, important to the visitor industry;  
13           (B) Planning, construction, and repair of facilities;  
14           and  
15           (C) Operation and maintenance costs of public lands,  
16           including beaches, connected with enhancing the  
17           visitor experience.

18           All transient accommodations taxes shall be paid into the  
19           state treasury each month within ten days after collection and  
20           shall be kept by the state director of finance in special  
21           accounts for distribution as provided in this subsection.



1 As used in this subsection, "fiscal year" means the twelve-  
2 month period beginning on July 1 of a calendar year and ending  
3 on June 30 of the following calendar year."

4 PART II

5 SECTION 4. The purpose of this part is to appropriate  
6 general funds to be expended in fiscal year 2014-2015 in  
7 accordance with section 237D-6.5(b) (5), Hawaii Revised Statutes,  
8 for visitor industry-related programs and projects.

9 The legislature finds that, for technical reasons, the  
10 \$3,000,000 in general funds set aside from the transient  
11 accommodations tax revenues under section 237D-6.5(b) (5), Hawaii  
12 Revised Statutes, for fiscal year 2014-2015 for visitor  
13 industry-related programs and projects cannot be expended. The  
14 legislature further finds that the moneys set aside for fiscal  
15 year 2014-2015 should be expended to implement the legislature's  
16 policy decision to commence the set aside.

17 SECTION 5. There is appropriated out of the general  
18 revenues of the State of Hawaii the sum of \$3,000,000 or so much  
19 thereof as may be necessary for fiscal year 2014-2015 for the  
20 following:



1 (1) The protection, preservation, maintenance, and  
2 enhancement of natural resources, including beaches,  
3 important to the visitor industry;

4 (2) Planning, construction, and repair of facilities; and

5 (3) Operation and maintenance costs of public lands,  
6 including beaches, connected with enhancing the  
7 visitor experience.

8 The sum appropriated shall be expended by the board of land  
9 and natural resources, subject to mutual agreement with the  
10 board of directors of the Hawaii tourism authority, in  
11 accordance with the Hawaii tourism authority strategic plan.

12 SECTION 6. The appropriation in section 5 shall be deemed  
13 an appropriation of the \$3,000,000 in general funds set aside  
14 under section 237D-6.5(b)(5), Hawaii Revised Statutes, for  
15 fiscal year 2014-2015.

16 PART III

17 SECTION 7. The purpose of this part is to appropriate  
18 general funds to be expended in fiscal year 2015-2016 in  
19 accordance with section 237D-6.5(b)(5), Hawaii Revised Statutes,  
20 for visitor industry-related programs and projects.



1           The legislature finds that, for technical reasons, the  
2 \$3,000,000 in general funds set aside from the transient  
3 accommodations tax revenues under section 237D-6.5(b)(5), Hawaii  
4 Revised Statutes, for visitor industry-related programs and  
5 projects cannot be expended. The legislature further finds that  
6 the moneys set aside for fiscal year 2015-2016 should be  
7 expended to implement the policy decision of the legislature to  
8 commence the set aside.

9           In part I of this Act, the legislature amends section 237D-  
10 6.5(b)(5), Hawaii Revised Statutes, to deposit the \$3,000,000  
11 into the special land and development fund for expenditure on  
12 visitor industry-related programs and projects. The amendments  
13 take effect on July 1, 2016. The legislature has delayed the  
14 effective date in order to review the special land and  
15 development fund during the interim between the regular sessions  
16 of 2015 and 2016. The legislature finds that depositing the  
17 revenues into the special land and development fund from July 1,  
18 2015, may complicate the planned review of the fund.

19           SECTION 8. There is appropriated out of the general  
20 revenues of the State of Hawaii the sum of \$3,000,000 or so much



1 thereof as may be necessary for fiscal year 2015-2016 for the  
2 following:

- 3 (1) The protection, preservation, maintenance, and  
4 enhancement of natural resources, including beaches,  
5 important to the visitor industry;
- 6 (2) Planning, construction, and repair of facilities; and
- 7 (3) Operation and maintenance costs of public lands,  
8 including beaches, connected with enhancing the  
9 visitor experience.

10 The sum appropriated shall be expended by the board of land  
11 and natural resources in accordance with the Hawaii tourism  
12 authority strategic plan.

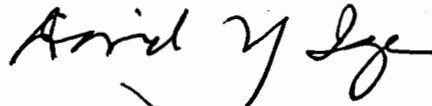
13 Notwithstanding section 237D-6.5(b)(5), Hawaii Revised  
14 Statutes, the board of land and natural resources may expend the  
15 appropriation without the agreement of the board of directors of  
16 the Hawaii tourism authority.

17 SECTION 9. The appropriation in section 8 shall be deemed  
18 an appropriation of the \$3,000,000 in general funds set aside  
19 under section 237D-6.5(b)(5), Hawaii Revised Statutes, for  
20 fiscal year 2015-2016.



1 PART IV  
2 SECTION 10. Statutory material to be repealed is bracketed  
3 and stricken. New statutory material is underscored.  
4 SECTION 11. This Act shall take effect upon its approval;  
5 provided that part I shall take effect on July 1, 2016.

APPROVED this 12 day of JUN , 2015



GOVERNOR OF THE STATE OF HAWAII

