

JAN 28 2015

A BILL FOR AN ACT

RELATING TO THE ACQUISITION OF SCENIC LANDS AT KAPUA IN MILOLI'I
ON THE ISLAND OF HAWAII.

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

1 SECTION 1. The legislature finds that the lands of Kapua
2 in Miloli'i on the island of Hawaii are a scenic wonder with
3 breathtaking shoreline views that are slated for resort
4 development by its owner, The Resort Group, which has so far
5 developed the Ko Olina Resort on Oahu and Princeville at
6 Hanalei. The lands of Kapua comprise at least 6,000 acres in
7 South Kona that are classified as agricultural or conservation
8 land. The Resort Group acquired the land from the Kamehameha
9 Schools/Bishop Estate.

10 Kapua is a desirable location for an exotic vacation
11 retreat and vacation home ownership, as described by the website
12 of The Resort Group. Traditional Hawaiian language, dance,
13 music, and craftsmanship thrive in Kapua. "This is a haven
14 where modern and ancient are interwoven, a place still sparsely
15 populated and open to discovery", states the website.



1 The legislature further finds that the State should seek to
2 acquire Kapua in the interests of preserving the area's
3 diminishing pristine condition for future generations while
4 ensuring the preservation of agriculture and the prudent
5 economic development of the area.

6 The purpose of this Act is to require the department of
7 land and natural resources to engage in negotiations to acquire
8 the subject lands of Kapua with excess revenues derived from the
9 transient accommodations tax.

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

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

15 (1) \$26,500,000 shall be allocated to the convention
16 center enterprise special fund established under
17 section 201B-8;

18 (2) \$82,000,000 shall be allocated to the tourism special
19 fund established under section 201B-11; provided that:

20 (A) Beginning on July 1, 2012, and ending on June 30,
21 2015, \$2,000,000 shall be expended from the



1 tourism special fund for development and
2 implementation of initiatives to take advantage
3 of expanded visa programs and increased travel
4 opportunities for international visitors to
5 Hawaii;

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

7 (i) \$1,000,000 shall be allocated for the
8 operation of a Hawaiian center and the
9 museum of Hawaiian music and dance at the
10 Hawaii convention center; and

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

16 (C) Of the revenues remaining in the tourism special
17 fund after revenues have been deposited as
18 provided in this paragraph and except for any sum
19 authorized by the legislature for expenditure
20 from revenues subject to this paragraph,
21 beginning July 1, 2007, funds shall be deposited



1 into the tourism emergency trust fund,
2 established in section 201B-10, in a manner
3 sufficient to maintain a fund balance of
4 \$5,000,000 in the tourism emergency trust fund;
5 (3) \$103,000,000 for fiscal year 2014-2015, \$103,000,000
6 for fiscal year 2015-2016, and \$93,000,000 for each
7 fiscal year thereafter shall be allocated as follows:
8 Kauai county shall receive 14.5 per cent, Hawaii
9 county shall receive 18.6 per cent, city and county of
10 Honolulu shall receive 44.1 per cent, and Maui county
11 shall receive 22.8 per cent; provided that commencing
12 with fiscal year 2018-2019, a sum that represents the
13 difference between a county public employer's annual
14 required contribution for the separate trust fund
15 established under section 87A-42 and the amount of the
16 county public employer's contributions into that trust
17 fund shall be retained by the state director of
18 finance and deposited to the credit of the county
19 public employer's annual required contribution into
20 that trust fund in each fiscal year, as provided in
21 section 87A-42, if the respective county fails to



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1 remit the total amount of the county's required annual
2 contributions, as required under section 87A-43;

3 (4) \$3,000,000 shall be allocated to the Turtle Bay
4 conservation easement special fund established under
5 section 201B-8.6 for the payment of debt service on
6 revenue bonds, the proceeds of which were used to
7 acquire the conservation easement in Turtle Bay, Oahu,
8 until the bonds are fully amortized; ~~[and]~~

9 (5) \$ _____ shall be allocated to the purchase of the
10 lands of Kapua, island of Hawaii; and

11 ~~[(5)]~~ (6) Of the excess revenues deposited into the general
12 fund pursuant to this subsection, \$3,000,000 shall be
13 allocated subject to the mutual agreement of the board
14 of land and natural resources and the board of
15 directors of the Hawaii tourism authority in
16 accordance with the Hawaii tourism authority strategic
17 plan for:

18 (A) The protection, preservation, and enhancement of
19 natural resources important to the visitor
20 industry;



- 1 (B) Planning, construction, and repair of facilities;
- 2 and
- 3 (C) Operation and maintenance costs of public lands
- 4 connected with enhancing the visitor experience.

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

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

12 SECTION 3. The department of land and natural resources,
13 in consultation with the Hawaiian Islands Land Trust, shall
14 engage in negotiations to acquire land located at Kapua, island
15 of Hawaii, identified as TMK , from The Resort Group.

16 SECTION 4. Any acquisition of land by the State as a
17 result of negotiations under section 3 of this Act shall be
18 funded in whole or in part from transient accommodations tax
19 revenues as provided in the amendments under section 2 of this
20 Act.



1 SECTION 5. There is appropriated out of the general
 2 revenues of the State of Hawaii the sum of \$ or so
 3 much thereof as may be necessary for fiscal year 2015-2016 and
 4 the same sum or so much thereof as may be necessary for fiscal
 5 year 2016-2017 to acquire land located at Kapua, island of
 6 Hawaii, identified as TMK , from The Resort Group
 7 pursuant to this Act.

8 The sums appropriated shall be expended by the department
 9 of land and natural resources for the purposes of this Act.

10 SECTION 6. Statutory material to be repealed is bracketed
 11 and stricken. New statutory material is underscored.

12 SECTION 7. This Act shall take effect upon its approval.
 13

INTRODUCED BY:

[Handwritten signatures and names]
 Clarence K. Mikihele
 Michelle Sidani



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Report Title:

DLNR; Kapua; Land Acquisition; Transient Accommodations Tax Revenue; Appropriation

Description:

Requires the department of land and natural resources, in consultation with the Hawaiian Islands Land Trust, to engage in negotiations to acquire land located at Kapua, island of Hawaii. Requires the acquisition to be funded wholly or in part by transient accommodations tax revenues. Makes an appropriation for any additional amounts required for the acquisition.

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

