

STAND. COM. REP. NO.

1535

Honolulu, Hawaii

April 10, 2015

RE: S.B. No. 1299
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1299 entitled:

"A BILL FOR AN ACT RELATING TO DISPOSITION OF TAX REVENUES,"

begs leave to report as follows:

The purpose of this measure, as received by your Committee, is to promote budgetary planning and transparency by amending the disposition of conveyance tax revenues as follows:

- (1) 10 percent or \$7,600,000, whichever is less, to the Land Conservation Fund;
- (2) 50 percent or \$38,000,000, whichever is less, to the Rental Housing Trust Fund; and
- (3) 25 percent or \$19,000,000, whichever is less, to the Natural Area Reserve Fund.

For the purposes of a public hearing on this bill, your Committee circulated a proposed S.B. No. 1299, H.D. 1 (Proposed Draft), and notified the public that it would be accepting testimony on the Proposed Draft. The Proposed Draft:

- (1) Further amends the disposition of conveyance tax revenues by:

SB1299 HD1 HSCR FIN HMS 2015-3047



- (A) Allocating 10 percent or \$6,800,000, whichever is less, to the Land Conservation Fund; and
 - (B) Repealing the allocation to the Natural Area Reserve Fund; and
- (2) Makes the following appropriations to programs that were formerly supported by the conveyance tax:
- (A) \$7,556,128 for each year of fiscal biennium 2015-2017 for natural area partnership and forest stewardship programs, projects undertaken in accordance with watershed management plans, and the Youth Conservation Corps;
 - (B) \$2,100,000 for each year of fiscal biennium 2015-2017 for natural area partnership and forest stewardship programs;
 - (C) \$60,000 for each year of fiscal biennium 2015-2017 for a Hawaii Humpback Whale National Marine Sanctuary co-manager;
 - (D) \$187,000 for each year of fiscal biennium 2015-2017 for the operating expenses of the Hawaiian Islands Humpback Whale National Marine Sanctuary and Papahānaumokuākea Marine National Monument;
 - (E) \$1,500,000 for each year of fiscal biennium 2015-2017 for fire, natural disaster, and emergency response equipment;
 - (F) \$250,000 for each year of fiscal biennium 2015-2017 for the operations of the Kure Atoll Field Station;
 - (G) \$1,000,000 for each year of fiscal biennium 2015-2017 for other current expenses, equipment, and motor vehicles for conservation and resource enforcement;
 - (H) \$1,161,864 for fiscal year 2015-2016 and \$915,624 for fiscal year 2016-2017 for personal services, other current expenses, equipment, and motor vehicles for community fisheries enforcement units;



- (I) \$5,000,000 for each year of fiscal biennium 2015-2017 for invasive species programs statewide;
- (J) \$159,280 for fiscal year 2015-2016 and \$146,730 for fiscal year 2016-2017 for two archaeologists III, one burial specialist, and equipment for historic preservation;
- (K) \$850,000 for fiscal year 2015-2016 for the digitization of all historic preservation records and the installation of a new integrated information system;
- (L) \$1,500,000 for each year of fiscal biennium 2015-2017 for the Kahoolawe Island Reserve Commission; and
- (M) \$101,715 for each year of fiscal biennium 2015-2017 for administrative operating expenses under LNR906.

The Kahoolawe Island Reserve Commission and numerous individuals supported this measure. The Hawaii Housing Finance and Development Corporation; The Nature Conservancy; Kauai Watershed Alliance; Oahu Island Parks Conservancy; Coastal Planners, LLC; Sierra Club; and many individuals opposed this measure. The Department of Land and Natural Resources, Tax Foundation of Hawaii, PHOCUSED, Hawaii Association of REALTORS, Partners in Care, Catholic Charities Hawaii, Conservation Council for Hawaii, Hawaii Appleseed Center for Law and Economic Justice, Hawaii Audubon Society, Dole Food Co. Hawaii, Big Island Invasive Species Committee, Haleakala Ranch, Ben Dyre Family Limited Partnership, Coordinating Group on Alien Pest Species, Kauai Invasive Species Committee, Hawaii Forest Industry Association, and numerous individuals commented on this measure.

Upon careful consideration of the merits of both S.B. No. 1299, as received by your Committee, and the Proposed Draft, your Committee has adopted the Proposed Draft and further amended the Proposed Draft by:

- (1) Clarifying that the correct reference to natural area reserves and watershed management for invasive species programs statewide should be LNR402, rather than LNR 407;
- (2) Changing its effective date to July 1, 2030; and



- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1299, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1299, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,

A handwritten signature in black ink, appearing to read 'Sylvia Luke', is written over a horizontal line.

SYLVIA LUKE, Chair



