



Honolulu, Hawaii

FEB 15 2019

RE: S.B. No. 1363
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committees on Hawaiian Affairs and Water and Land, to which was referred S.B. No. 1363 entitled:

"A BILL FOR AN ACT RELATING TO INCREASING THE OFFICE OF HAWAIIAN AFFAIRS' PRO RATA SHARE OF PUBLIC LAND TRUST FUNDS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish \$35,000,000 as the Office of Hawaiian Affairs' pro rata share of the public land trust;
- (2) Appropriate \$139,000,000, less certain funds in the carry-forward trust holding account, to the Office of Hawaiian Affairs for amounts received from use of the public land trust that the Legislature has determined were underpaid to the Office of Hawaiian Affairs from July 1, 2012, through June 30, 2019;
- (3) Require the Director of Finance to:
 - (A) Determine the minimum amount of receipts to be transferred, and actual amount transferred, by any agency that collects public land trust receipts to the Office of Hawaiian Affairs; and



- (B) Transfer any amount actually transferred that is short of the minimum amount into the carry-forward trust holding account;
- (4) Require the Department of Land and Natural Resources to provide an annual accounting of receipts from lands described in section 5(f) of the Admissions Act; and
- (5) Establish a committee to recommend the annual amount of the income and proceeds from the public land trust that the Office of Hawaiian Affairs shall receive annually.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs; Kamehameha Schools; Hawaii Farmers Union; Connections PCS; Ho'omanapono Political Action Committee; O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i; Association of Hawaiian Civic Clubs Moku O Keawe - Hawai'i Council; Association of Hawaiian Civic Clubs; Prince Kūhiō Hawaiian Civic Club; Democratic Party of Hawai'i, Hawaiian Affairs Caucus; Native Hawaiian Chamber of Commerce; Kalihi-Palama Hawaiian Civic Club; and sixteen individuals. Your Committees received testimony in opposition to this measure from the Center for Hawaiian Sovereignty Studies. Your Committees received comments on this measure from the Society of Professional Journalists, Hawaii Chapter; and League of Women Voters.

Your Committees find that the State has a constitutional obligation to provide an adequate amount of income and proceeds as the pro rata portion of the public land trust for the betterment of the conditions of native Hawaiians. In 2006, the Office of Hawaiian Affairs and the State agreed to an interim annual amount of \$15,100,000 pending further action by the Legislature to meet its constitutional obligation. In 2012, the State again acknowledged the obligation and conveyed certain lands in Kakaako Makai, valued at approximately \$200,000,000, to the Office of Hawaiian Affairs to satisfy the State's constitutional obligations to native Hawaiians for the period between November 7, 1978, up to and including June 30, 2012. However, since 2012, no further payments have been made to satisfy the State's constitutional obligation relating to the Office of Hawaiian Affairs' pro rata share of the public land trust. Your Committees find that it is in the best interests of the Office of Hawaiian Affairs, its



beneficiaries, and the State to enact another interim legislative measure regarding the Office of Hawaiian Affairs' constitutional pro rata share of the public land trust.

Your Committees have amended this measure by:

- (1) Inserting a blank amount as the Office of Hawaiian Affairs' annual pro rata share of the income and proceeds of the public land trust;
- (2) Inserting blank amounts for the minimum amount of receipts to be transferred by any agency that collects public land trust receipts to the Office of Hawaiian Affairs;
- (3) Inserting a blank amount for the appropriation to pay the Office of Hawaiian Affairs amounts received from the use of the public land trust that the Legislature has determined were underpaid to the Office of Hawaiian Affairs; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees respectfully request your Committee on Ways and Means to weigh the merits of holding funds in the carry-forward trust holding account versus making annual payments to the Office of Hawaiian Affairs.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1363, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1363, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary.



Respectfully submitted on
behalf of the members of the
Committees on Hawaiian Affairs
and Water and Land,



KAIALA'I KAHELE, Chair

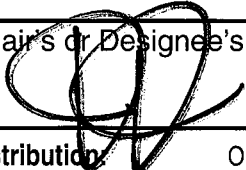


MAILE S.L. SHIMABUKURO, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

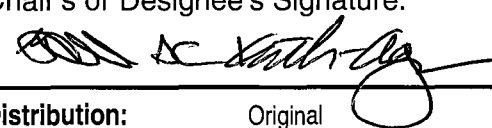
Record of Votes
Committee on Hawaiian Affairs
HWN

Bill / Resolution No.:* SB 1363	Committee Referral: HWN/WTL, WAM/DC	Date: 2/7/19		
<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
SHIMABUKURO, Maile S.L. (C)	X			
KAHELE, Kaiali'i (VC)	X			
IHARA, Jr., Les		X		
KEOHOKALOPE, Jarrett	X			
FEVELLA, Kurt				X
TOTAL	3	1		1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:	Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy

*Only one measure per Record of Votes

The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:* SB1363	Committee Referral: HWN/WTL, WAM/JOC	Date: 2/7/2019		
<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
KAHELE, Kaiali'i (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
NISHIHARA, Clarence K.				X
RIVIERE, Gil	X			
FEVELLA, Kurt				X
TOTAL	3			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