



GOV. MSG. NO. 1184

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

June 3, 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 3, 2015, the following bill was signed into law:

SB1299 HD1 CD1

RELATING TO DISPOSITION OF TAX
REVENUES
ACT 084 (15)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

RECEIVED
THE SENATE
CLERK'S OFFICE
STATE OF HAWAII

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RECEIVED
SENATE
OFFICE OF THE PRESIDENT

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A BILL FOR AN ACT

RELATING TO DISPOSITION OF TAX REVENUES.

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

1 SECTION 1. The legislature finds that budgetary planning
2 and transparency are key components to ensuring the ongoing
3 fiscal health of the State.

4 By establishing maximum amounts for distribution among the
5 non-general funds, the legislature intends that this Act:

6 (1) Make forecasts of general fund revenues more reliable;

7 (2) Increase legislative oversight of the agencies and
8 programs supported by the non-general funds; and

9 (3) Subject those agencies and programs to competition for
10 limited public funds if the agencies or programs want
11 more than the amount automatically distributed to
12 their non-general funds.

13 The purpose of this Act is to address budgetary planning
14 and transparency in the disposition of conveyance tax revenues
15 by:

16 (1) Setting maximum amounts to be distributed to various
17 non-general funds from the conveyance tax; and



1 (2) Appropriating general funds to provide continued
 2 support of programs either similar to or previously
 3 supported by distributions to the natural area reserve
 4 fund and its associated programs from conveyance tax
 5 revenues.

6 SECTION 2. Section 195F-4, Hawaii Revised Statutes, is
 7 amended by amending subsection (a) to read as follows:

8 "(a) There is established a special fund within the state
 9 treasury known as the forest stewardship fund which shall be
 10 used as follows:

11 (1) Payments shall be made by the board pursuant to
 12 agreements entered into with qualified landowners to
 13 further the purposes of this chapter; and

14 (2) Moneys collected from:

15 (A) The harvest of non-native forest products from
 16 forest reserves;

17 (B) The harvest of native forest products from
 18 degraded forests as defined in section 186-5.5,
 19 within forest reserves;

20 (C) The sale of forest products found dead and lying
 21 on the ground;



1 (D) The sale of tree seedlings from state nurseries;
2 (E) The sale of any other products or services, or
3 anything of value derived from forest reserves
4 not described above; or
5 (F) The imposition of fines or penalties for
6 violations of this chapter and chapters 183 and
7 185 or any rule adopted thereunder;
8 shall be used for: (i) replanting, managing, and
9 maintaining designated timber management areas; (ii)
10 enhancing the management of public forest reserves
11 with an emphasis on restoring degraded koa forests;
12 and (iii) developing environmental education and
13 training programs pertaining to sustainable forestry;
14 provided that the activities described in clauses (ii)
15 and (iii) may not be funded unless the activities
16 described in approved management plans pertaining to
17 clause (i) are adequately funded[; and
18 ~~(3) Moneys deposited into the fund as authorized by~~
19 ~~section 247-7 may also be used by the department to~~
20 ~~administer the program and manage the forest reserve~~
21 ~~system]. "~~



1 SECTION 3. Section 247-7, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§247-7 Disposition of taxes. All taxes collected under
4 this chapter shall be paid into the state treasury to the credit
5 of the general fund of the State, to be used and expended for
6 the purposes for which the general fund was created and exists
7 by law; provided that of the taxes collected each fiscal year:

8 (1) Ten per cent or \$6,800,000, whichever is less, shall
9 be paid into the land conservation fund established
10 pursuant to section 173A-5; and

11 (2) [~~Twenty five per cent from July 1, 2009, until~~
12 ~~June 30, 2012; thirty per cent from July 1, 2012,~~
13 ~~until June 30, 2014; and fifty~~] Fifty per cent [~~in~~
14 ~~each fiscal year thereafter~~] or \$38,000,000, whichever
15 is less, shall be paid into the rental housing trust
16 fund established by section 201H-202[~~;~~ and

17 (3) ~~Twenty per cent from July 1, 2009, until June 30,~~
18 ~~2012, and twenty five per cent in each fiscal year~~
19 ~~thereafter shall be paid into the natural area reserve~~
20 ~~fund established by section 195-9; provided that the~~
21 ~~funds paid into the natural area reserve fund shall be~~



1 ~~annually disbursed by the department of land and~~
2 ~~natural resources in the following priority:~~
3 ~~(A) To natural area partnership and forest~~
4 ~~stewardship programs after joint consultation~~
5 ~~with the forest stewardship committee and the~~
6 ~~natural area reserves system commission;~~
7 ~~(B) Projects undertaken in accordance with watershed~~
8 ~~management plans pursuant to section 171-58 or~~
9 ~~watershed management plans negotiated with~~
10 ~~private landowners, and management of the natural~~
11 ~~area reserves system pursuant to section 195-3,~~
12 ~~and~~
13 ~~(C) The youth conservation corps established under~~
14 ~~chapter 193]."~~

15 SECTION 4. All remaining moneys deposited into the forest
16 stewardship fund, established pursuant to section 195F-4, Hawaii
17 Revised Statutes, in accordance with section 247-7, Hawaii
18 Revised Statutes, as of the effective date of this Act, may
19 continue to be used for the administration of forest stewardship
20 programs and the management of the forest reserve system.

1 SECTION 5. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$7,556,128 or so much
3 thereof as may be necessary for fiscal year 2015-2016 and the
4 same sum or so much thereof as may be necessary for fiscal year
5 2016-2017 to fund positions and other operating expenditures in
6 natural area reserves and watershed management (LNR407);
7 provided that funds appropriated in this section may be
8 transferred with the approval of the governor to natural area
9 reserves and watershed management (LNR407) in the General
10 Appropriations Act of 2015 (House Bill No. 500, H.D. 1, S.D. 1,
11 C.D. 1) for expenditure. The appropriations of this section
12 shall be expended for the following:

- 13 (1) Natural area partnership and forest stewardship
14 programs after joint consultation with the forest
15 stewardship committee and the natural area reserves
16 system commission;
- 17 (2) Projects undertaken in accordance with watershed
18 management plans pursuant to section 171-58, Hawaii
19 Revised Statutes, or watershed management plans
20 negotiated with private landowners, and management of



1 the natural area reserves system pursuant to section
2 195-3, Hawaii Revised Statutes; and

3 (3) The youth conservation corps established under chapter
4 193, Hawaii Revised Statutes.

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

7 SECTION 6. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$2,832,996 or so much
9 thereof as may be necessary for fiscal year 2015-2016 and the
10 same sum or so much thereof as may be necessary for fiscal year
11 2016-2017 to fund positions and other operating expenditures in
12 forestry - resource management and development (LNR172) for
13 forest reserve management, natural area partnership, and forest
14 stewardship programs after joint consultation with the forest
15 stewardship committee and the natural area reserves system
16 commission; provided that funds appropriated in this section may
17 be transferred with the approval of the governor to forestry -
18 resource management and development (LNR172) in the General
19 Appropriations Act of 2015 (House Bill No. 500, H.D. 1, S.D. 1,
20 C.D. 1) for expenditure.



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

3 SECTION 7. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$3,405,749 or so much
5 thereof as may be necessary for fiscal year 2015-2016 and the
6 same sum or so much thereof as may be necessary for fiscal year
7 2016-2017 to fund positions and other operating expenditures in
8 the native resources and fire protection program (LNR402) for
9 endangered species, watershed, and fire protection; provided
10 that funds appropriated in this section may be transferred with
11 the approval of the governor to the native resources and fire
12 protection program (LNR402) in the General Appropriations Act of
13 2015 (House Bill No. 500, H.D. 1, S.D. 1, C.D. 1) for
14 expenditure.

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

17 SECTION 8. There is appropriated out of the general
18 revenues of the State of Hawaii the sum of \$1,500,000 or so much
19 thereof as may be necessary for fiscal year 2015-2016 and the
20 same sum or so much thereof as may be necessary for fiscal year
21 2016-2017 for the native resources and fire protection program



1 (LNR402) for fire, natural disaster, and emergency response
2 equipment and other current expenses of the native resources and
3 fire protection program.

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

6 SECTION 9. There is appropriated out of the general
7 revenues of the State of Hawaii the sum of \$4,000,000 or so much
8 thereof as may be necessary for fiscal year 2015-2016 and the
9 same sum or so much thereof as may be necessary for fiscal year
10 2016-2017 for the native resources and fire protection program
11 (LNR402) to be expended as directed by the Hawaii invasive
12 species council for invasive species programs statewide;
13 provided that portions of this appropriation may be transferred
14 to other state departments to implement the directions of the
15 invasive species council.

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

18 SECTION 10. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$1,000,000 or so much
20 thereof as may be necessary for fiscal year 2015-2016 and the
21 same sum or so much thereof as may be necessary for fiscal year



1 2016-2017 for LNR - natural and physical environment (LNR906)
2 for the Kahoolawe island reserve commission.

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

5 SECTION 11. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$101,715 or so much
7 thereof as may be necessary for fiscal year 2015-2016 and the
8 same sum or so much thereof as may be necessary for fiscal year
9 2016-2017 to fund positions and other expenditures in LNR -
10 natural and physical environment (LNR906) for administrative
11 operating expenses; provided that funds appropriated in this
12 section may be transferred with the approval of the governor to
13 LNR - natural and physical environment (LNR906) in the General
14 Appropriations Act of 2015 (House Bill No. 500, H.D. 1, S.D. 1,
15 C.D. 1) for expenditure.

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

18 SECTION 12. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$350,000 or so much
20 thereof as may be necessary for fiscal year 2015-2016 and the
21 same sum or so much thereof as may be necessary for fiscal year



1 2016-2017 for the funding of soil and water conservation
2 districts in water and land development (LNR141).

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

5 SECTION 13. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$76,260 or so much
7 thereof as may be necessary for fiscal year 2015-2016 and the
8 sum of \$152,520 or so much thereof as may be necessary for
9 fiscal year 2016-2017 for the funding of the following positions
10 to support the implementation of the Hawaii ocean resources
11 management plan in ecosystem protection and restoration
12 (LNR401):

| 13 | Six-Month Salary | Twelve-Month Salary |
|----------------------------------|---------------------|---------------------|
| 14 Position | Fiscal Year 2015-16 | Fiscal Year 2016-17 |
| 15 1.0 FTE planner IV | \$23,700 | \$47,400 |
| 16 1.0 FTE program specialist IV | \$23,700 | \$47,400 |
| 17 1.0 FTE program specialist VI | \$28,860 | \$57,720 |

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

20 SECTION 14. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 15. This Act shall take effect on July 1, 2015.

APPROVED this 3 day of JUN, 2015



GOVERNOR OF THE STATE OF HAWAII