

# H.B. NO. 1353

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## A BILL FOR AN ACT

RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED.

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

1           SECTION 1. Section 213 of the Hawaiian Homes Commission  
2 Act, 1920, as amended, is amended by amending subsection (g) to  
3 read as follows:

4           "(g) Hawaiian home receipts fund. All interest moneys  
5 from loans or investments received by the department from any  
6 fund except as provided for in each respective fund, shall be  
7 deposited into this fund. At the end of each quarter, all  
8 moneys in this fund may be transferred to the Hawaiian home  
9 operating fund, the Hawaiian home administration account, the  
10 Hawaiian home trust fund, the native Hawaiian rehabilitation  
11 fund, and any loan fund in accordance with rules adopted by the  
12 department."

13           SECTION 2. Section 213 of the Hawaiian Homes Commission  
14 Act, 1920, as amended, is amended by amending subsection (i) to  
15 read as follows:

16           "(i) Native Hawaiian rehabilitation fund. Pursuant to  
17 Article XII, Section 1, of the State Constitution, thirty  
18 percent of the state receipts, derived from lands previously

1 cultivated as sugarcane lands under any other provision of law  
2 and from water licenses, shall be deposited into this fund. The  
3 department shall use this money for the rehabilitation of native  
4 Hawaiians, native Hawaiian families, and Hawaiian homestead  
5 communities, which shall include the educational, economic,  
6 political, social, and cultural processes by which the general  
7 welfare and conditions of native Hawaiians are thereby improved  
8 and perpetuated.

9 The native Hawaiian rehabilitation fund shall be subject to  
10 the following conditions:

- 11 (1) All moneys received by the fund shall be deposited  
12 into the state treasury and kept separate and apart  
13 from all other moneys in the state treasury;
- 14 (2) The director of finance shall serve as a custodian of  
15 the fund. All payments from the fund shall be made by  
16 the director of finance only upon vouchers approved by  
17 the commission;
- 18 (3) The commission shall develop guidelines for the  
19 investment of moneys in the fund;
- 20 (4) The commission may invest and reinvest in investments  
21 authorized by chapter 88, Hawaii Revised Statutes.  
22 The commission may hold, purchase, sell, assign,

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1 transfer, or dispose of any securities and investments  
2 in which any of the moneys shall have been invested,  
3 as well as the proceeds of such investments; and

4 (5) The commission may pay out of any of the moneys held  
5 for investment, a reasonable amount to any person for  
6 supplying investment advisory or consultive services;  
7 and to meet such other costs incident to the prudent  
8 investment of moneys as the commission may approve.

9 Any payment of principal, interest, or other earnings  
10 arising out of the loan or investment of money from this fund or  
11 moneys transferred into this fund from other funds shall be  
12 credited to and deposited into this fund.

13 Sections 214, 215, 216, and 217 shall not apply to  
14 administration of this fund. The department is authorized to  
15 adopt rules under chapter 91, Hawaii Revised Statutes, necessary  
16 to administer and carry out the purposes of this fund."

17 SECTION 3. New statutory material is underscored.

18 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

Calvin K. Jay  
BY REQUEST  
JAN 22 2007

JUSTIFICATION SHEET

DEPARTMENT: Hawaiian Home Lands

TITLE: A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED.

PURPOSE: To authorize moneys from the Hawaiian home receipts fund to be transferred into the native Hawaiian rehabilitation fund.

MEANS: Amend section 213(g) and (i) of the Hawaiian Homes Commission Act, 1920, as amended (HHCA).

JUSTIFICATION: Section 213(g) of the HHCA currently provides that moneys from the Hawaiian home receipts fund may be transferred to the Hawaiian home operating fund, Hawaiian home administration account, Hawaiian home trust fund, and any loan fund.

Section 213(i) provides that the native Hawaiian rehabilitation fund, created pursuant to article XII, section 1 of the State Constitution, shall receive thirty percent of the state receipts derived from cultivated sugar lands and from water licenses. These funds shall be used for the rehabilitation of native Hawaiians, native Hawaiian families, and Hawaiian homestead communities, which shall include the educational, economic, political, social, and cultural processes by which the general welfare and conditions of native Hawaiians are improved and perpetuated.

With the reduction in sugar cultivation in recent years, proceeds into this fund have been declining. Allowing moneys from the Hawaiian home receipts fund to be transferred into the native Hawaiian rehabilitation fund will provide an additional source of revenue that can be used to carry out the purposes of this fund.

Impact on the public: None. This proposal only affects beneficiaries of the Hawaiian home lands program and their qualified relatives.

Impact on the department and other agencies: It is a positive change that will improve program services to native Hawaiians by providing additional funding to carry out the purposes of the native Hawaiian rehabilitation fund.

GENERAL FUNDS: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: HHL 602, Planning, Development, Management and General Support for Hawaiian Homestead Lands.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: Upon approval.