1

### A BILL FOR AN ACT

RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS.

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

1	SECTION 1. In 1978, the state constitution was amended to
2	include article XII, sections 4, 5, and 6 that, among other
3	things, established the office of Hawaiian affairs and its board
4	of trustees. Sections 4 and 6 of article XII of the state
5	constitution provide:
6	"PUBLIC TRUST
7	Section 4. The lands granted to the State of Hawaii by
8	Section 5(b) of the Admission Act and pursuant to Article XVI,
9	Section 7, of the State Constitution, excluding therefrom lands
10	defined as "available lands" by Section 203 of the Hawaiian
11	Homes Commission Act, 1920, as amended, shall be held by the
12	State as a public trust for native Hawaiians and the general
13	public.
14	POWERS OF BOARD OF TRUSTEES
15	Section 6. The board of trustees of the Office of Hawaiian
16	Affairs shall exercise power as provided by law: to manage and

17 administer the proceeds from the sale or other disposition of

SB995 SD2.DOC \*SB995 SD2.DOC\* \*SB995 SD2.DOC\*

Page 2

#### **S.B. NO.** 995 S.D. 2

1 the lands, natural resources, minerals and income derived from 2 whatever sources for native Hawaiians and Hawaiians, including 3 all income and proceeds from that pro rata portion of the trust referred to in section 4 of this article for native Hawaiians; 4 5 to formulate policy relating to affairs of native Hawaiians and 6 Hawaiians; and to exercise control over real and personal 7 property set aside by state, federal or private sources and 8 transferred to the board for native Hawaiians and Hawaiians. 9 The board shall have the power to exercise control over the 10 Office of Hawaiian Affairs through its executive officer, the 11 administrator of the Office of Hawaiian Affairs, who shall be 12 appointed by the board."

13 By Act 273, Session Laws of Hawaii 1980, the legislature 14 provided that "[t]wenty per cent of all funds derived from the public land trust, . . . shall be expended by the office of 15 16 Hawaiian affairs . . . for the purposes of this chapter." This 17 legislative directive has led to a series of lawsuits concerning 18 the practical application of the twenty per cent apportionment 19 the legislature established to implement article XII, sections 4 20 and 6, of the Constitution of the State of Hawaii.

In Trustees of the Office of Hawaiian Affairs v. Yamasaki,
69 Haw. 154, 737 P.2d 446 (1987), the Hawaii supreme court
SB995 SD2.DOC
\*SB995 SD2.DOC\*

1 concluded that the issue of how the apportionment is formulated 2 is a political question for the legislature to determine. 3 In response to the Yamasaki decision, the legislature enacted Act 304, Session Laws of Hawaii 1990, to clarify the 4 5 extent and scope of the twenty per cent portion. 6 On September 12, 2001, the Hawaii supreme court ruled in 7 Office of Hawaiian Affairs v. State of Hawaii, 96 Haw. 388, 31 8 P.3d 901 (2001), that Act 304 was effectively repealed by its 9 own terms, so that once again, it was necessary for the 10 legislature to specify the apportionment to be managed and 11 administered by the office of Hawaiian affairs. 12 In its decision, the Hawaii supreme court affirmed 13 Yamasaki, observing: 14 "[T]he State's obligation to native Hawaiians is 15 firmly established in our constitution. How the State 16 satisfies that constitutional obligation requires 17 policy decisions that are primarily within the 18 authority and expertise of the legislative branch. As 19 such, it is incumbent upon the legislature to enact 20 legislation that gives effect to the right of native 21 Hawaiians to benefit from the ceded lands trust. See 22 Haw. Const. art. XVI, §7 . . . [W]e trust that the SB995 SD2.DOC \*SB995 SD2.DOC\* \*SB995 SD2.DOC\*

1	legislature will re-examine the State's constitutional
2	obligation to native Hawaiians and the purpose of HRS
3	§ 10-13.5 and enact legislation that most effectively
4	and responsibly meets those obligations."
5	Office of Hawaiian Affairs v. State of Hawaii, 96 Haw. at 401,
6	31 P.3d at 914 (citations omitted).
7	In reviewing the entire history of the issue of the State's
8	obligation to transmit to the office of Hawaiian affairs a part
9	of the income and proceeds from the public land trust, the
10	legislature finds that the issue has evolved into two principal
11	aspects, one looking to the past, the other looking to the
12	future.
13	With regard to the past, the legislature finds that in
14	addition to the amounts of income and proceeds previously paid
15	to the office of Hawaiian affairs, further resources should be
16	provided to the office of Hawaiian affairs that represent a re-
17	examination and final determination by the legislature for the
18	period between November 7, 1978 (the ratification date of
19	article XII, sections 4, 5, and 6 of the Constitution of the
20	State of Hawaii), and July 1, 2009, with regard to income and
21	proceeds from the lands in the public trust referred to in
22	article XII, section 4, of the Hawaii constitution.
	SB995 SD2.DOC *SB995 SD2.DOC* *SB995 SD2.DOC*

Additionally, the legislature finds that the dollar value of
 \$ represents the legislature's re-examination and
 final determination of the resources that should be provided to
 the office of Hawaiian affairs for the period between November
 7, 1978, and July 1, 2009.

6 The legislature also finds that the resources valued at 7 \$ will be provided to the office of Hawaiian affairs 8 in two phases. In the first phase, the legislature by this Act 9 shall convey to the office of Hawaiian affairs the fee simple 10 interest in certain parcels of real property. In the second 11 phase, the legislature in 2010 will pass an act that conveys to 12 the office of Hawaiian affairs resources totaling the value of 13 the phase I properties' county tax assessment, as of the 14 effective date of this Act, subtracted from \$ , in the form of conveyance of real property in fee simple. 15

16 With regard to the future, the legislature finds that the 17 public interest is best served by the legislature deferring 18 temporarily a re-examination of what amount of income and 19 proceeds from the lands in the public trust referred to in 20 article XII, section 4, of the Hawaii constitution should be 21 provided to the office of Hawaiian affairs annually beginning on 22 July 1, 2009. In this light, the annual amount will, for the SB995 SD2.DOC \*SB995 SD2.DOC\* \*SB995 SD2.DOC\*

Page 5

Page 6

1 time being, continue to be set by Act 178, Session Laws of 2 Hawaii 2006, which stated: 3 ". . . [U]ntil further action is taken by the 4 legislature for this purpose, the income and proceeds 5 from the pro rata portion of the public land trust 6 under article XII, section 6, of the state 7 constitution for expenditure by the office of Hawaiian 8 affairs for the betterment of the conditions of native 9 Hawaiians for each fiscal year beginning with fiscal 10 year 2005-2006 shall be \$15,100,000." 11 The legislature recognizes that in January 2008, the 12 governor and the office of Hawaiian affairs reached a settlement 13 agreement with respect to all issues relating to the portion of 14 the income and proceeds from the lands in the public trust for 15 the period between November 7, 1978, and July 1, 2008, that the 16 office of Hawaiian affairs was to receive. However, the 17 settlement agreement did not take effect because it was 18 conditioned on certain legislative action that did not occur. 19 This Act is an expression of legislative policy and not a 20 settlement or a contract. This legislation is a legislative act 21 without distinction from any other legislative act. As it is 22 neither a settlement nor a contract, it can give rise to no SB995 SD2.DOC \*SB995 SD2.DOC\* \*SB995 SD2.DOC\*

lawsuits or claims to enforce it, nor to any claim in the future
 that any future legislation is barred in any way, or leads to
 liability in any way, because it somehow conflicts with a
 settlement, settlement agreement, or contract.

5 The purpose of this Act is to allow the State to most 6 effectively and responsibly make progress toward meeting part of 7 its constitutional obligation to native Hawaiians by addressing 8 the additional amount of income and proceeds that the office of 9 Hawaiian affairs is to receive from the public trust pursuant to 10 article XII, sections 4 and 6, of the Hawaii constitution, for the period from November 7, 1978, to July 1, 2009, by: 11 12 (1)Conveying certain parcels of real property in fee 13 simple to the office of Hawaiian affairs; and 14 Supporting the conveyance with appropriate provisions, (2) 15 such as exempting all the conveyed lands from the 16 definition of "public lands" in chapter 171, Hawaii 17 Revised Statutes, and exempting the conveyed lands 18 located in Kakaako from the authority of the Hawaii 19 community development authority under chapter 206E, 20 Hawaii Revised Statutes.

21 SECTION 2. Section 171-2, Hawaii Revised Statutes, as
22 amended to read as follows:
SB995 SD2.DOC

\*SB995 SD2.DOC\* \*SB995 SD2.DOC\*

## **S.B. NO.** <sup>995</sup> S.D. 2

"§171-2 Definition of public lands. "Public lands" means 1 2 all lands or interest therein in the State classed as government 3 or crown lands previous to August 15, 1895, or acquired or 4 reserved by the government upon or subsequent to that date by 5 purchase, exchange, escheat, or the exercise of the right of 6 eminent domain, or in any other manner; including accreted lands 7 not otherwise awarded, submerged lands, and lands beneath tidal 8 waters which are suitable for reclamation, together with 9 reclaimed lands which have been given the status of public lands 10 under this chapter, except: 11 (1) Lands designated in section 203 of the Hawaiian Homes 12 Commission Act, 1920, as amended; 13 Lands set aside pursuant to law for the use of the (2) 14 United States; 15 Lands being used for roads and streets; (3) 16 Lands to which the United States relinquished the (4) 17 absolute fee and ownership under section 91 of the 18 Hawaiian Organic Act prior to the admission of Hawaii 19 as a state of the United States unless subsequently 20 placed under the control of the board of land and 21 natural resources and given the status of public lands 22 in accordance with the State Constitution, the SB995 SD2.DOC \*SB995 SD2.DOC\*

\*SB995 SD2.DOC\*

1		Hawaiian Homes Commission Act, 1920, as amended, or
2		other laws;
3	(5)	Lands to which the University of Hawaii holds title;
4	(6)	Lands to which the Hawaii housing finance and
5		development corporation in its corporate capacity
6		holds title;
7	(7)	Lands to which the Hawaii community development
8		authority in its corporate capacity holds title;
9	(8)	Lands to which the department of agriculture holds
10		title by way of foreclosure, voluntary surrender, or
11		otherwise, to recover moneys loaned or to recover
12		debts otherwise owed the department under chapter 167;
13	(9)	Lands [ <del>which</del> ] <u>that</u> are set aside by the governor to
14		the Aloha Tower development corporation; lands leased
15		to the Aloha Tower development corporation by any
16		department or agency of the State; or lands to which
17		the Aloha Tower development corporation holds title in
18		its corporate capacity;
19	(10)	Lands [ <del>which</del> ] <u>that</u> are set aside by the governor to
20		the agribusiness development corporation; lands leased
21		to the agribusiness development corporation by any
22		department or agency of the State; or lands to which
	SB995 SD2.DOC *SB995 SD2.DOC* *SB995 SD2.DOC*	

10

1 the agribusiness development corporation in its 2 corporate capacity holds title; [and] 3 Lands to which the high technology development (11)4 corporation in its corporate capacity holds title [-]; 5 and 6 (12)Lands conveyed to the office of Hawaiian affairs 7 pursuant to Act , Session Laws of Hawaii 2009." 8 SECTION 3. Section 206E-32, Hawaii Revised Statutes, is 9 amended to read as follows: 10 "§206E-32 District; established, boundaries. The Kakaako 11 community development district is established. The district 12 shall include that area bounded by King Street; Piikoi Street 13 from its intersection with King Street to Ala Moana Boulevard; 14 Ala Moana Boulevard, inclusive, from Piikoi Street to its 15 intersection with the Ewa boundary of Ala Moana Park also 16 identified as the Ewa boundary of tax map key 2-3-37:01; the Ewa 17 boundary of tax map key 2-3-37:01 from its intersection with Ala 18 Moana Boulevard to the shoreline; the shoreline from its 19 intersection with the property line representing the Ewa 20 boundary of property identified by tax map key 2-3-37:01 to the 21 property line between Pier 2 and Pier 4; the property line between Pier 2 and Pier 4 from its intersection with the 22 SB995 SD2.DOC \*SB995 SD2.DOC\* \*SB995 SD2.DOC\*

## **S.B. NO.** <sup>995</sup> S.D. 2

11

1 shoreline to Ala Moana Boulevard; Ala Moana Boulevard from its 2 intersection with the property line between lands identified by 3 Pier 2 and Pier 4 to Punchbowl Street; and Punchbowl Street to its intersection with King Street; provided that the following 4 5 parcels at Pier 1 and Pier 2 shall be deleted from the Kakaako 6 community development district boundaries and conveyed to the 7 department of land and natural resources to be set aside for the 8 department of transportation and the foreign-trade zone division 9 of the department of business, economic development, and 10 tourism, to ensure continued maritime and foreign commerce use: 11 all of lot 3 and parcels 2, 3-A, A, and B of the Forrest Avenue 12 subdivision, as shown on the map filed with the bureau of 13 conveyances of the State of Hawaii as file plan 2335; and lots 14 A-1 and A-2, as shown on map 2, filed in the office of the 15 assistant registrar of the land court of the State of Hawaii 16 with land court application 1328; and provided further that all 17 existing easements affecting and appurtenant to the parcels to 18 be deleted from the Kakaako community development district 19 boundaries shall not be affected by this change.

20 The district shall also include that parcel of land 21 identified by tax map key 2-1-14:16, situated mauka of Pier 6

SB995 SD2.DOC \*SB995 SD2.DOC\* \*SB995 SD2.DOC\*

1	and Pier 7 and makai of Nimitz Highway, being the site for the
2	existing Hawaiian Electric power plant and related facilities.
3	Any other provision of this section or of this chapter
4	notwithstanding, the Kakaako community development district
5	shall not include any lands conveyed in fee simple to the office
6	of Hawaiian affairs pursuant to Act , Session Laws of Hawaii
7	2009; provided further that these lands shall not be subject to
8	any other of the provisions of this chapter."
9	SECTION 4. Section 10-13.3, Hawaii Revised Statutes, is
10	repealed.
11	[" <b>[§10-13.3] Interim revenue.</b> Notwithstanding the
12	definition of revenue contained in this chapter and the
13	provisions of section 10-13.5, and notwithstanding any claimed
14	invalidity of Act 304, Session Laws of Hawaii 1990, the income
15	and proceeds from the pro rata portion of the public land trust
16	under article XII, section 6 of the state constitution for
17	expenditure by the office of Hawaiian affairs for the betterment
18	of the conditions of native Hawaiians for each of fiscal year
19	1997-1998 and fiscal year 1998-1999 shall be \$15,100,000."]
20	SECTION 5. (a) Subject to the rights of the office of
21	Hawaiian affairs set forth in section 8 of this Act including
22	<pre>but not limited to the right to inspect and reject any or all of SB995 SD2.DOC *SB995 SD2.DOC* *SB995 SD2.DOC*</pre>

1	the prope	rties described in this section, all right, title, and
2	interest	in the following parcels of land with the existing
3	improveme	nts thereon, including submerged land, accreted land,
4	or any la	nd makai of the shoreline, shall be conveyed in
5	accordanc	e with section 8 of this Act in fee simple to the
6	office of	Hawaiian affairs:
7	(1)	Kakaako Makai: Lots 2, 3, 4, 5, and 9 as identified
8		on the final Kakaako park subdivision map dated
9		October 15, 2007, and approved by the city and county
10		of Honolulu department of planning and permitting on
11		November 9, 2007; except TMK: 2-1-058:41 and 2-1-
12		058:110;
13	(2)	Kahana Valley and Beach Park: TMK: 5-2-01:1, 5-2-02:
14		all, and 5-2-5:1 and 21 as described in Act 5,
15		Sessions Laws of Hawaii 1987 and TMK: 5-2-05:3;
16	(3)	La Mariana and submerged lands: TMK: 1-2-23:52;
17	(4)	Accreted peninsula and land filled bordered by Kalihi
18		stream and Moanalua stream: TMK: 1-1-3:3;
19	(5)	Heeia meadowlands: TMK: 4-6-16:01 and 4-6-16:02;
20	(6)	Mauna Kea: Mauna Kea Scientific Reserve: TMK: 3-4-4-
21		015: 9 and 12; Mauna Kea Ice Age Natural Area Reserve:
22		a 143.5 acre square parcel around Puu Pohaku, located
	SB995 SD2.DOC *SB995 SD2.DOC* *SB995 SD2.DOC*	

Page 14

1	to the west of the summit area and a 3,750 acre
2	triangular-shaped parcel extends from approximately
3	10,070 feet (3,069 meters) up to 13,230 feet (4,033
4	meters) at the upper tip of the parcel; and
5	(7) State-owned fishponds statewide: as identified in the
6	Hawaiian Fishponds: Fishpond Database, developed
7	pursuant to a grant/cooperative agreement from the
8	National Oceanic and Atmospheric Administration,
9	Project No. R/AQ-60 (sponsored by the University of
10	Hawaii Sea Grant College Program, SOEST, under
11	Institutional Grant No. NA36RG0507 Year 31 from NOAA
12	Office of Sea Grant, Department of Commerce).
13	The land described in this section shall be held in trust
14	pursuant to article XII, sections 4, 5, and 6, of the Hawaii
15	constitution, and shall be subject to all laws, including
16	section 171-58, Hawaii Revised Statutes, except as otherwise
17	provided in this Act.
18	Because these are conveyances in which the State and its
19	agencies are the only parties, the tax imposed by section 247-1,
20	Hawaii Revised Statutes, shall not apply to them.
21	The property conveyed shall be subject to all encumbrances,
22	whether or not of record, rights of native tenants, leases, SB995 SD2.DOC *SB995 SD2.DOC* *SB995 SD2.DOC*

#### **S.B. NO.** 995 S.D. 2

15

1 contracts, agreements, permits, easements, profits, licenses, 2 rights-of-way, or other instruments applicable to any land 3 conveyed by this section effective or ongoing on the effective 4 date of this Act, which shall remain in full force and effect. 5 The Mauna Kea parcels, as listed in paragraph (6), shall be 6 subject to Decision and Order of the Circuit Court of the Third 7 Circuit, Civil No. 04-1-397 (January 7, 2007); provided that 8 upon the completion of the requisite action, the board of land 9 and natural resources shall cease to manage the parcels 10 transferred by this Act. These encumbrances may be set forth in 11 the instruments conveying the property to the office of Hawaiian 12 affairs or set forth in a license or similar agreement, a 13 memorandum of which may be recorded concurrently with the 14 instruments conveying the property to the office of Hawaiian 15 affairs. Effective upon conveyance of the property to the 16 office of Hawaiian affairs pursuant to this Act, every reference 17 to the current title-holder or the head of the department or 18 agency in each such instrument, if the title-holder is a 19 department or an agency, shall be construed to be a reference to 20 the office of Hawaiian affairs or its board of trustees.

21 After the conveyances are made, the property shall be
22 subject to all laws, except as otherwise provided in this Act.
SB995 SD2.DOC
\*SB995 SD2.DOC\*
\*SB995 SD2.DOC\*

### **S.B. NO.** 995 S.D. 2

The office of Hawaiian affairs shall administer the property in
 accordance with its duties under the Hawaii constitution and as
 provided by law.

4 The office of Hawaiian affairs shall cooperate with (b) 5 other state agencies to designate and grant such access rights 6 and easements as may be reasonably necessary for the benefit and 7 use of adjoining properties owned by the State. Each of the 8 instruments creating such access rights or granting such 9 easements shall provide that the office of Hawaiian affairs, or 10 any successor owner of the servient property, shall have the 11 right to reasonably relocate any such access areas or easements 12 so granted. The cost of initially identifying such access areas 13 or designating and granting any such easements shall not be the 14 responsibility of the office of Hawaiian affairs. The cost of 15 relocating any such access areas or easements shall be paid by 16 the office of Hawaiian affairs or any such successor owner, as 17 the case may be. Each of the instruments creating such access 18 rights or granting such easements shall also provide that the 19 office of Hawaiian affairs shall only be responsible for a 20 reasonable share of the cost of maintaining any of those access 21 areas and easement areas, as the case may be, and that the 22 office, its tenants, licensees, concessionaires, successors, and SB995 SD2.DOC 16 \*SB995 SD2.DOC\* \*SB995 SD2.DOC\*

## **S.B. NO.** <sup>995</sup> S.D. 2

assigns shall not be liable for injuries or damages arising from
 the use of the access areas or easement areas by other state
 agencies or their invitees.

4 (c) Notwithstanding subsection (b), the office of Hawaiian 5 affairs shall not be required to approve any access rights or 6 grant any access easements to other state agencies that would 7 materially diminish the value of the servient property or that 8 would materially interfere with the use of the servient property 9 by the office of Hawaiian affairs or any lessee, tenant, 10 licensee, concessionaire, or other lawful occupant of the 11 property, unless otherwise provided by law.

12 (d) The conveyances made by this section shall not include
13 any of the State's rights to minerals or surface or ground
14 water. As directed by the attorney general, the appropriate
15 boards, agencies, officers, and employees of the State shall:

16 (1) Execute instruments of conveyance as may be necessary
17 and proper to the office of Hawaiian affairs, as
18 grantee, to convey the interest and title of the State
19 and its boards and commissions to these lands and
20 improvements in fee simple; and

21 (2) Record the instruments in the land court or bureau of
22 conveyances, as appropriate.

SB995 SD2.DOC \*SB995 SD2.DOC\* \*SB995 SD2.DOC\*

17

18

(e) This section shall not limit the power of the
 legislature to enact any laws.

3 (f) The office of Hawaiian affairs shall transfer
4 management and control of all parcels, as described in
5 subsection (a), to the sovereign native Hawaiian entity upon its
6 recognition by the United States and the State. All terms,
7 conditions, agreements, and laws affecting the parcels, as
8 described in subsection (a), shall remain in effect until
9 expressly terminated.

10 SECTION 6. The real property conveyances made under this 11 Act shall be deemed income and proceeds from the lands in the 12 public trust referred to in article XII, sections 4 and 6, of 13 the Hawaii constitution, as if they had been paid out of the 14 income and proceeds from trust lands pursuant to article XII, 15 sections 4 and 6, of the Hawaii constitution. With regard to 16 any properties conveyed to the office of Hawaiian affairs under 17 this Act that are part of the public land trust referred to in 18 article XII, sections 4 and 6, of the Hawaii constitution, 19 nothing in this Act shall remove those properties from that 20 public land trust.

21 SECTION 7. To the extent that the State has waived 22 sovereign immunity for a suit, claim, cause of action, or right SB995 SD2.DOC \*SB995 SD2.DOC\* \*SB995 SD2.DOC\*

## **S.B. NO.** <sup>995</sup> S.D. 2

of action regarding the amount of income and proceeds the office
 of Hawaiian affairs is to receive from the public trust pursuant
 to article XII, sections 4 and 6, of the Hawaii constitution,
 that waiver is withdrawn.

5 SECTION 8. (a) During regular business hours, the State 6 shall make available to the office of Hawaiian affairs and its 7 authorized representatives the State's files that contain any of 8 the following regarding properties to be conveyed to the office 9 pursuant to this Act:

10 (1) Copies of soil reports, site plans, engineering
11 reports, archaeological and historical studies, plans,
12 and surveys, including shoreline surveys;

13 (2) Zoning entitlement and other land use documents and
14 records including, without limitation, all current
15 governmental permits, approvals, and authorizations;

- 16 (3) Copies of notices from governmental agencies regarding
  17 any violations of laws or ordinances;
- 18 (4) Copies of all leases and all correspondence with any
  19 lessees under any of the leases;
- 20 (5) Copies of licenses and concession agreements and all
   21 correspondence with any of the parties to the licenses

and concession agreements;

SB995 SD2.DOC \*SB995 SD2.DOC\* \*SB995 SD2.DOC\*

22

19

# **S.B. NO.** <sup>995</sup> S.D. 2

1	(6)	Copies of any other agreements affecting or relating
2		to any of the property, and correspondence with any of
3		the parties to any other relevant agreements;
4	(7)	Copies of any existing surveys, maps, and aerial
5		photographs; and
6	(8)	Copies of all plans and other documents relating to
7		any improvements on any of the property.
8	(b)	The State shall permit the office of Hawaiian affairs
9	and its a	uthorized representatives to enter upon and conduct
10	reasonabl	e physical inspections of the property to be conveyed
11	to the of	fice of Hawaiian affairs under this Act, including
12	subsurfac	e investigations under the property and inspections of
13	the build	ings and other improvements located upon the property;
14	provided	that all entries and inspections shall be conducted in
15	a manner	that reasonably minimizes interference with the use of
16	the prope	rty by the occupants of the property.
17	(C)	The office of Hawaiian affairs shall have until the
18	later of:	
19	(1)	October 1, 2009; or
20	(2)	Six months after the State has provided the office
21		with access to all the documents and property
22		described in subsections (a) and (b);
	SB995 SD2 *SB995 SD *SB995 SD	2.DOC*

Page 21

1 to conduct a due diligence investigation of the property to be 2 conveyed to the office of Hawaiian affairs pursuant to this Act. 3 If the office of Hawaiian affairs determines in its (d) 4 sole and absolute discretion that there exists any condition 5 with respect to any of the property to be conveyed to the office 6 of Hawaiian affairs pursuant to this Act that makes the property 7 unsuitable for the intended uses of the property by the office 8 of Hawaiian affairs, the office of Hawaiian affairs may reject 9 any or all of the property to be conveyed to it pursuant to this 10 Act by written notice to the State given by not later than 11 October 1, 2009, or six months after the State has provided the 12 office of Hawaiian affairs with access to all the documents and 13 property described in subsections (a) and (b).

14 (e) Upon receipt of written notice from the office of Hawaiian affairs as and by the date provided in subsection (d) 15 16 that any or all of the property, including but not limited to 17 any one or more lot or tax map key parcel, to be conveyed to the 18 office of Hawaiian affairs is rejected, then the property 19 identified by the office of Hawaiian affairs shall not be 20 conveyed to the office of Hawaiian affairs pursuant to this Act, 21 and the value of real property to be conveyed to the office of 22 Hawaiian affairs in 2010, as described in section 1 of this Act, SB995 SD2.DOC 21 \*SB995 SD2.DOC\* \*SB995 SD2.DOC\*

shall be increased by the value of the county tax assessment, as
 of the effective date of this Act, of the rejected real
 property.

4 (f) The State shall convey to the office of Hawaiian
5 affairs any property that has not been rejected by the office of
6 Hawaiian affairs as provided in subsection (d) by not later than
7 thirty days after the date by which the office of Hawaiian
8 affairs was required to notify the State of any rejection as
9 provided in subsection (d).

SECTION 9. In printing this Act, the revisor of statutes shall substitute in sections 171-2 and 206E-32, Hawaii Revised Statutes, of sections 2 and 3, the corresponding act number of this Act.

14 SECTION 10. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION

SECTION 11. This Act shall take effect on July 1, 2070.

22

#### Report Title:

Office of Hawaiian Affairs; Public Land Trust

#### Description:

Resolves claims and disputes relating to the portion of income and proceeds from the lands of the public land trust for use by the office of Hawaiian affairs between 11/7/1978 and 7/1/2009; conveys certain parcels of real property in fee simple to the office of Hawaiian affairs. (SD2)