HOUSE CONCURRENT RESOLUTION

ENCOURAGING DISCUSSIONS TO PROPOSE RECOMMENDATIONS TO THE LEGISLATURE TO RESOLVE OUTSTANDING DIFFERENCES REGARDING CLAIMS OF THE OFFICE OF HAWAIIAN AFFAIRS TO INCOME AND PROCEEDS FROM THE PUBLIC LAND TRUST BETWEEN NOVEMBER 7, 1978, AND JULY 1, 2008.

WHEREAS, in 1978, the Hawaii State Constitution was amended to include article XII, sections 4, 5, and 6 that, among other things, established the Office of Hawaiian Affairs and its Board of Trustees; and

WHEREAS, sections 4 and 6 of article XII of the Hawaii State Constitution provide:

"PUBLIC TRUST

Section 4. The lands granted to the State of Hawaii by Section 5(b) of the Admission Act and pursuant to Article XVI, Section 7, of the State Constitution, excluding therefrom lands defined as "available lands" by Section 203 of the Hawaiian Homes Commission Act, 1920, as amended, shall be held by the State as a public trust for native Hawaiians and the general public."

"POWERS OF BOARD OF TRUSTEES

Section 6. The board of trustees of the Office of Hawaiian Affairs shall exercise power as provided by law: to manage and administer the proceeds from the sale or other disposition of the lands, natural resources, minerals and income derived from whatever sources for native Hawaiians and Hawaiians, including all income and proceeds from that pro rata portion of the trust referred to in section 4 of this article for native Hawaiians; to formulate policy relating to

affairs of native Hawaiians and Hawaiians; and to exercise control over real and personal property set aside by state, federal or private sources and transferred to the board for native Hawaiians and Hawaiians. The board shall have the power to exercise control over the Office of Hawaiian Affairs through its executive officer, the administrator of the Office of Hawaiian Affairs, who shall be appointed by the board"; and

WHEREAS, through Act 273, Session Laws of Hawaii 1980, the Legislature provided that "[t]wenty percent of all funds derived from the public land trust . . . shall be expended by the office of Hawaiian affairs . . . for the purposes of this chapter"; and

WHEREAS, this legislative directive has led to a series of lawsuits concerning the practical application of the twenty percent apportionment that the Legislature established to implement article XII, sections 4 and 6, of the Hawaii State Constitution; and

WHEREAS, in Trustees of the Office of Hawaiian Affairs v. Yamasaki, 737 P.2d 446 (1987), the Hawaii Supreme Court concluded that the issue of how the apportionment is formulated is a political question for the Legislature to determine; and

WHEREAS, in response to the Yamasaki decision, the Legislature enacted Act 304, Session Laws of Hawaii 1990, to clarify the extent and scope of the twenty percent portion; and

 WHEREAS, on September 12, 2001, the Hawaii Supreme Court ruled in Office of Hawaiian Affairs v. State of Hawaii, 31 P.3d 901 (2001), ("OHA I") that Act 304 was effectively repealed by its own terms, so that once again, it was necessary for the Legislature to specify the apportionment to be managed and administered by the Office of Hawaiian Affairs; and

WHEREAS, in its decision, the Hawaii Supreme Court affirmed Yamasaki, observing:

"[T]he State's obligation to native Hawaiians is firmly established in our constitution. How the State satisfies that constitutional obligation requires policy decisions that are primarily within the

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authority and expertise of the legislative branch. As such, it is incumbent upon the legislature to enact legislation that gives effect to the right of native Hawaiians to benefit from the ceded lands trust. See Haw. Const. art. XVI, section 7 . . . [W]e trust that the legislature will re-examine the State's constitutional obligation to native Hawaiians and the purpose of HRS §10-13.5 and enact legislation that most effectively and responsibly meets those obligations."

Office of Hawaiian Affairs v. State of Hawaii, 31 P.3d at 914 (citations omitted); and

 WHEREAS, on April 28, 2006, the Hawaii Supreme Court ruled in Office of Hawaiian Affairs v. State of Hawaii, 133 P.3d 767, 795 (2006) ("OHA II"), that consistent with its ruling in OHA I, "it is incumbent upon the legislature to enact legislation that gives effect to the right of native Hawaiians to benefit from the ceded lands trust"; and

WHEREAS, in January 2008, the Chairperson of the Office of Hawaiian Affairs and the Governor, following the vote of approval by the Office of Hawaiian Affairs Board of Trustees, signed a negotiated Settlement Agreement between the State and the Office of Hawaiian Affairs "to resolve and settle, finally and completely, any and all 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 November 7, 1978, and July 1, 2008; and

WHEREAS, contingent on the enactment of legislation the parties drafted and attached to the Settlement Agreement, the State agreed to pay cash and transfer three parcels of land totaling \$200,000,000 to the Office of Hawaiian Affairs, and the Office of Hawaiian Affairs agreed that the Settlement Agreement would have the effect of res judicata and that the Office of Hawaiian Affairs "releases, waives, and forever discharges any and all claims of any kind concerning, relating to, or arising out of controversies at law and in equity, known or unknown, now existing or hereafter arising, established, or inchoate, arising out of or in any way related to any right the Office of Hawaiian Affairs or any other person or entity may have to income and proceeds of any kind or nature whatsoever, or the equivalents of

such income and proceeds of any kind or nature whatsoever, from the lands held by the State as a public trust under sections 4 and 6 of Article XII of the Hawaii State Constitution or any statute or act between November 7, 1978, and July 1, 2008; and

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WHEREAS, the Settlement Agreement did not take effect because the legislation drafted by the parties was not enacted; and

WHEREAS, the Legislature continues to believe that it is in the best interests of the Office of Hawaiian Affairs, its beneficiaries, the State, and all citizens of Hawaii that a fair and just resolution of outstanding issues relating to the income and proceeds from the lands of the public land trust between November 7, 1978, and July 1, 2008, be attained; and

WHEREAS, the Legislature also believes it is important that the Office of Hawaiian Affairs and the Administration of Governor Neil Abercrombie enter into discussions to lay the foundation for appropriate legislative action; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twenty-sixth Legislature of the State of Hawaii, Regular Session of 2011, the Senate concurring, that the Office of Hawaiian Affairs and the Executive Branch are encouraged to engage in discussions to formulate and submit a recommendation to the Legislature for resolving all claims and disputes between the State and the Office of Hawaiian Affairs regarding the amount of the income and proceeds from the lands of the public land trust that the Office of Hawaiian Affairs should receive under the Hawaii State Constitution and state law, between November 7, 1978, and July 1, 2008; and

BE IT FURTHER RESOLVED that at a minimum, any recommendation to the Legislature specify the amount in cash payments, parcels of land, or a combination thereof, that the Legislature shall appropriate and authorize the State to pay or transfer to the Office of Hawaiian Affairs; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Governor, Attorney General, Chairperson of the Board of Land and Natural Resources, and Chairperson of the Board of Trustees of the Office of Hawaiian Affairs.