THE SENATE TWENTY-SIXTH LEGISLATURE, 2011 STATE OF HAWAII

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S.C.R. NO. 147

MAR 1 6 2011

SENATE 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



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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

8 WHEREAS, through Act 273, Session Laws of Hawaii 1980, the 9 Legislature provided that "[t]wenty per cent of all funds 10 derived from the public land trust . . . shall be expended by 11 the office of Hawaiian affairs . . . for the purposes of this 12 chapter"; and

14 WHEREAS, this legislative directive has led to a series of 15 lawsuits concerning the practical application of the twenty 16 percent apportionment that the Legislature established to 17 implement article XII, sections 4 and 6, of the Hawaii State 18 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

36 WHEREAS, in its decision, the Hawaii Supreme Court affirmed 37 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 authority and expertise of the legislative branch. As such, it is incumbent upon the legislature to enact legislation that gives effect to the



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right of native Hawaiians to benefit from the ceded lands trust. See Haw. Const. art. XVI, §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 18 Hawaiian Affairs, following the vote of approval by the Office 19 20 of Hawaiian Affairs Board of Trustees, signed a negotiated 21 Settlement Agreement between the State and the Office of Hawaiian Affairs "to resolve and settle, finally and completely, 22 23 any and all claims and disputes" relating to the portion of income and proceeds from the lands of the public land trust for 24 25 use by the Office of Hawaiian Affairs, between November 7, 1978, and July 1, 2008; and 26

28 WHEREAS, contingent on the enactment of legislation the parties drafted and attached to the Settlement Agreement, the 29 State agreed to pay cash and transfer three parcels of land to 30 31 the Office of Hawaiian Affairs, and the Office of Hawaiian 32 Affairs agreed that the Settlement Agreement would have the effect of res judicata and that the Office of Hawaiian Affairs 33 34 "releases, waives, and forever discharges any and all claims of any kind concerning, relating to, or arising out of 35 36 controversies at law and in equity, known or unknown, now existing or hereafter arising, established, or inchoate, arising 37 out of or in any way related to any right OHA or any other 38 39 person or entity may have to income and proceeds of any kind or nature whatsoever, or the equivalents of such income and 40 41 proceeds of any kind or nature whatsoever, from the lands held 42 by the State as a public trust under sections 4 and 6 of Article XII of the Constitution or any statute or act"; and 43 44



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1 WHEREAS, the Settlement Agreement did not take effect
2 because the legislation drafted by the parties was not enacted;
3 and
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5 WHEREAS, the Legislature continues to believe that it is in 6 the best interests of the Office of Hawaiian Affairs, its 7 beneficiaries, the State, and all citizens of Hawaii that a fair 8 and just resolution of outstanding issues relating to the income 9 and proceeds from the lands of the public land trust between 10 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 Senate of the Twenty-sixth 17 18 Legislature of the State of Hawaii, Regular Session of 2011, the 19 House of Representatives concurring, that the Office of Hawaiian Affairs and the Executive Branch are encouraged to engage in 20 21 discussions to formulate and submit a recommendation to the Legislature for resolving all claims and disputes between the 22 State and the Office of Hawaiian Affairs regarding the amount of 23 the income and proceeds from the lands of the public land trust 24 that the Office of Hawaiian Affairs should receive under the 25 26 Hawaii State Constitution and state law, between November 7, 27 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 34

35 BE IT FURTHER RESOLVED that certified copies of this 36 Concurrent Resolution be transmitted to the Governor, Attorney 37 General, Chairperson of the Board of Land and Natural Resources, 38 Chairperson of the Board of Trustees of the Office of Hawaiian 39 Affairs, President of the Senate, and Speaker of the House of 40 Representatives.

2011-1641

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