

HB 216 RELATING TO A FINANCIAL REVIEW BY THE OFFICE OF HAWAIIAN AFFAIRS OF COMPLIANCE WITH SECTION 5 OF ACT 178, SESSION LAWS OF HAWAII 2006

House Committee on Water & Land

| January 25, 2013 8:30 a.m. Room 325 |
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The Office of Hawaiian Affairs (OHA) strongly <u>SUPPORTS</u> HB 216, which is a bill in OHA's 2013 Legislative Package. This bill authorizes OHA, at its own expense, to conduct a financial review of the state's compliance with Act 178, Session Laws of Hawai'i 2006, Section 5, which requires all state agencies that use or manage public trust land to report all revenues generated from the use of that land. Act 178, section 5 is intended to ensure the state's accountability in the use of public trust land, and HB 216 further effectuates that intent.

Act 178, in furtherance of the State's on-going constitutional obligation to Native Hawaiians, established OHA's interim pro rata share of public land trust revenue at \$15.1 million per year until the Legislature determines the appropriate payment going forward. Section 5 of Act 178 requires full disclosure of all revenues generated on public trust land. The reporting requirement promotes accountability of the state agencies charged with managing the public land trust and provides important information to the Legislature so that the state may fulfill its fiduciary obligation to Native Hawaiians and the citizens of Hawai'i fully and accurately.

In 2012, for the first time since Act 178 was enacted, all state agencies identified as managing public trust land provided an accounting of the revenues generated. Gaps in the information exist, however, because some of the agencies have not consistently reported since 2006, and some agencies do not disclose <u>all</u> revenues, as required by Act 178, section 5. Accordingly, OHA seeks to review the agencies' financial information to develop a complete understanding of public land trust revenues generated since 2006. We respectfully suggest that this review would be of value not only to OHA, which is entitled to a share of these revenues in support of its service to its beneficiaries, but also to the state itself as trustee of the public land trust, and to the Legislature in assuring that the laws it has passed are being followed and state agencies are appropriately managing public trust land.

Therefore, OHA urges the committee to PASS HB 216. Mahalo for the opportunity to testify on this important measure.

| From: | mailinglist@capitol.hawaii.gov |
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| Sent: | Thursday, January 24, 2013 3:36 PM |
| To: | waltestimony |
| Cc: | hspoehr@papaolalokahi.org |
| Subject: | Submitted testimony for HB216 on Jan 25, 2013 08:30AM |

Submitted on: 1/24/2013 Testimony for WAL on Jan 25, 2013 08:30AM in Conference Room 325

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|-----------------|---------------------------|--------------------|
| Hardy Spoehr | Papa Ola Lokahi | Support | No |

Comments: TESTIMONY HB 216: RELATING TO A FINANCIAL REVIEW BY THE OFFICE OF HAWAIIAN AFFAIRS OF COMPLIANCE WITH SECTION 5 OF ACT 178, SESSION LAWS OF HAWAII 2006 Friday, January 25, 2013 8:30am Conference Room 325 State Capitol Hardy Spoehr, Executive Director Welina. Papa Ola Lokahi strongly supports this measure which enables the Office of Hawaiian Affairs (OHA) to ensure that it is receiving all the revenues for which it is entitled in compliance with state law. Revenues that OHA receives under Section 5 of Act 178 go to support numerous activities which provide for the betterment of Native Hawaiians in our island communities throughout the state. This includes many which are oriented towards improving the health and wellbeing of Native Hawaiians and their families. Thank you for the opportunity to provide testimony on this important measure.

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| Sent: | Thursday, January 24, 2013 4:29 PM |
| То: | waltestimony |
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| Subject: | Submitted testimony for HB216 on Jan 25, 2013 08:30AM |
| Attachments: | AHCC letterhead.doc |

Submitted on: 1/24/2013 Testimony for WAL on Jan 25, 2013 08:30AM in Conference Room 325

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|---------------------------------|---------------------------|--------------------|
| jalna keala | Assn. of Hawaian Civic Clubs | Support | Yes |

Comments:

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| From: Sent: | mailinglist@capitol.hawaii.gov Thursday, January 24, 2013 5:50 AM |
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| To: | waltestimony |
| Cc: | margaretwille@mac.com |
| Subject: | Submitted testimony for HB216 on Jan 25, 2013 08:30AM |

Submitted on: 1/24/2013 Testimony for WAL on Jan 25, 2013 08:30AM in Conference Room 325

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|---------------------------|--------------------|
| Margaret Wille | Individual | Support | No |

Comments: I am in support of this legislation. Margaret Wille, attorney at law County of Hawaii District 9 Councilperson

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| Sent: | Thursday, January 24, 2013 3:31 PM |
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| Submitted By | Organization | Testifier Position | Present at Hearing |
|-------------------|--------------|---------------------------|--------------------|
| Mervina Cash-Kaeo | Individual | Support | No |

Comments:

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STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES

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Testimony of WILLIAM J. AILA, JR. Chairperson

Before the House Committee on WATER & LAND

Friday, January 25, 2013 8:30AM State Capitol, Conference Room 325

In consideration of HOUSE BILL 216 RELATING TO A FINANCIAL REVIEW BY THE OFFICE OF HAWAIIAN AFFAIRS OF COMPLIANCE WITH SECTION 5 OF ACT 178, SESSION LAWS OF HAWAII 2006

House Bill 216 grants the Office of Hawaiian Affairs the authority to conduct a financial review of the State's compliance with Section 5 of Act 178, Session Laws of Hawaii 2006. Section 5 of Act 178 requires that no later than January 1 of each year, the Department of Land and Natural Resources ("Department"), in cooperation with the Department of Budget and Finance, to "provide an accounting of all receipts from lands described in section 5(f) of the Admission Act for the prior fiscal year". The Department offers the following comments on this measure.

In compliance with Act 178, Session Laws of Hawaii 2006, the Department requests various state agencies to provide the information required under the act. All information received is included in the annual report to the Legislature. It is the responsibility of the individual state agencies to ensure compliance with the Act's reporting requirements as well as the accuracy of the information provided to the Department. The Department is not required to verify or audit the information provided by the agencies, as it would be outside the Department's mission and expertise. The Department will cooperate with any financial review.