STAND. COM. REP. NO. 1272

Honolulu, Hawaii

MAR 2 0 2019

RE: H.B. No. 589

H.D. 2 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirtieth State Legislature Regular Session of 2019 State of Hawaii

Sir:

Your Committee on Water and Land, to which was referred H.B. No. 589, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE LAND CONSERVATION FUND,"

begs leave to report as follows:

The purpose and intent of this measure is to require the Department of Land and Natural Resources to implement certain recommendations made by the Office of the Auditor in Auditor's Report No. 19-01, Audit of the Department of Land and Natural Resources' Land Conservation Fund.

Your Committee received testimony in support of this measure from the Office of the Auditor and one individual. Your Committee received comments on this measure from the Department of Land and Natural Resources and The Trust for Public Land.

Your Committee finds that the land conservation fund was established for the express purpose of acquiring land having resource value to the State. The land conservation fund and the associated legacy land conservation program are administered by the Department of Land and Natural Resources, which delegated that responsibility to the Division of Forestry and Wildlife. The Auditor found that the program missed fiscal deadlines, causing funding to lapse; the Department mistakenly paid a total of nearly \$685,000 for state central service fees; and the land conservation

fund was used to pay the salary of an employee who is doing work unrelated to the legacy land conservation program. In addition, the program has not tracked and fully reported required information to the Legislature on the balances of land conservation fund monies transferred to the trust account. This measure implements safeguards to ensure that the land conservation fund and legacy land conservation program are properly managed and administered.

Your Committee has amended this measure by:

- (1) Clarifying the legislative findings in section 1 to accurately reflect Auditor's Report No. 19-01;
- (2) Extending the deadline for the completion of the Resource Land Acquisition Plan from January 1, 2020, to June 30, 2021;
- (3) Extending the deadline for implementation of the Auditor's recommendations from January 1, 2020, to June 30, 2021;
- (4) Requiring the Department of Land and Natural Resources to report on its progress as part of the annual report to the Governor and Legislature required pursuant to chapter 173A, Hawaii revised Statutes, rather than reporting to the Auditor and Legislature; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 589, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 589, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

STAND. COM. REP. NO. 1272
Page 3

Respectfully submitted on behalf of the members of the Committee on Water and Land,

KAIAL T KAHELE, Chair

The Senate Thirtieth Legislature State of Hawai'i

Record of Votes Committee on Water and Land WTL

	Committee Referral: Date: 3/13/2019			
The Committee is reconsidering its previous decision on this measure.				
If so, then the previous decision was to:				
The Recommendation is:				
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313				
Members	Aye	Aye (WR)	Nay	Excused
KAHELE, Kaialiʻi (C)	×			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
NISHIHARA, Clarence K.	×			
RIVIERE, Gil	<i>Y</i>			
FEVELLA, Kurt	, 			X
	-			
				
	 			
TOTAL	4			1
Recommendation: Adopted Not Adopted				
Chair's or Designee's Signature:				
Star Kuhlar				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes