DAVID Y. IGE GOVERNOR OF HAWAII





### STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621 HONOLULU, HAWAII 96809

Testimony of SUZANNE D. CASE Chairperson

Before the Senate Committee on WATER AND LAND

Wednesday, January 29, 2020 1:15 PM State Capitol, Conference Room 229

#### In consideration of SENATE BILL 2356 RELATING TO THE LAND CONSERVATION FUND

Senate Bill 2356 proposes to provide increased funding for land conservation by removing the annual dollar amount cap of the annual proceeds from the Conveyance Tax to the existing Land Conservation Fund. The Department of Land and Natural Resources (Department) strongly supports this measure, provided that its passage does not replace or adversely impact priorities indicated in the Executive Supplemental Budget request.

This measure makes more funding available for the public purpose of purchasing and protecting, forever, land that shelters exceptional, unique, and threatened resources. In 2005, the Legislature recognized that "an alarmingly small amount of money is invested each year to protect our natural capital base," and authorized 10% of annual conveyance tax revenue as a source of permanent adequate funding for land conservation, based on a finding "that the preservation, protection, and enhancement of the State's land, coastal areas, and natural resources are of central importance for current and future residents and for the state economy" (Act 156). During the first eight years of funding (FY06-FY13), the Land Conservation Fund's uncapped, 10% share of conveyance tax revenue ranged from \$2.38 million (FY09) to \$5.92 million (FY06), and averaged \$4.48 million. In FY14 and FY15, this climbed to \$7.72 million per year (average), while the Department's spending ceiling remained unchanged at \$5.1 million per year.

In 2015, the Legislature set a \$6.8 million cap on this revenue source, based on an intent to "(1) [m]ake forecasts of general fund revenues more reliable; (2) [i]ncrease legislative oversight of the agencies and programs supported by the non-general funds; and (3) [s]ubject those agencies and programs to competition for limited public funds if the agencies or programs want more than the amount automatically distributed to their non-general funds" (Act 84). Over the next four

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA

M. KALEO MANUEL DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
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LAND STATE PARKS years (FY16-FY19), ten percent of conveyance tax revenue exceeded the \$6.8 million annual cap by \$7.7 million, total. For FY19, the Legislature granted the Department's perennial request to raise the spending ceiling, providing a one-time increase from \$5.1 million to \$6.9 million. For the FY20-FY21 biennium, the annual spending ceiling was lowered back down to the historic appropriation level. At this level, after covering program administration costs and a debt service payment for the State's land acquisition at Turtle Bay, about \$3.2 million remains available for the annual land acquisition grant program.

In the face of escalating real estate prices and persistent development pressure, the Department's primary dedicated funding mechanism for land conservation continues to lose pace with market values and public demand, resulting in deferred and missed opportunities for many worthy and time-sensitive land acquisitions. For example, the Department received applications for over \$15 million in FY20+FY21 grant funding, with over 64% of total land acquisition costs to be provided by other sponsors. In reviewing these applications, the Legacy Land Conservation Commission voiced its disappointment that more funds were not available to support the bulk of the proposals.

In order to assist budgetary planning and transparency in the disposition of conveyance tax revenues, we analyzed the potential impact on general fund revenues of removing the annual dollar amount cap of the annual proceeds from the conveyance tax to the existing land acquisition fund. We applied Council on Revenues growth rate projections to total FY19 conveyance tax collections, resulting in an estimated \$19.9 million total impact to the general fund over the FY21-FY26 budget planning period, starting at \$2.4 million in FY21 and ending at \$4.3 million in FY26.

The Department notes that an increase in the annual spending ceiling would be required to authorize the Department to expend additional conveyance tax revenue for grants from the Legacy Land Conservation Program. In order to promote greater legislative involvement in the distribution of funds and more timely determination of program resource needs, the Department recently changed the timeline for the Land Conservation Fund grant application process. For the FY21 budget cycle, we already received a funding recommendation from the Legacy Land Conservation Commission, and used it as the basis for the Department's supplemental budget request. Thus our FY21 budget request is based on specific, point-in-time knowledge of planned acquisitions, rather than on anticipated demand (as derived by assessing historic revenue, appropriations, and requested grant amounts).

Thank you for the opportunity to comment on this measure.

#### LEGISLATIVE TAX BILL SERVICE

## TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: CONVENYANCE, Remove Cap on Earmark to Land Conservation Fund

BILL NUMBER: SB 2356

INTRODUCED BY: ENGLISH, HARIMOTO, IHARA, KANUHA, KEITH-AGARAN,

RIVIERE, RUDERMAN, Baker, Fevella, Kim, Nishihara, Shimabukuro

EXECUTIVE SUMMARY: Removes the monetary cap for the amount of conveyance taxes collected that can be paid into the land conservation fund. The cap was imposed to make general fund forecasting more reliable and increase transparency and accountability.

SYNOPSIS: Amends section 247-7(1), HRS, to remove the \$6.8 million cap on the conveyance tax revenues to be redirected to the land conservation fund.

EFFECTIVE DATE: July 1, 2020.

STAFF COMMENTS: The conveyance tax was enacted by the 1966 legislature after the repeal of the federal law requiring stamps for transfers of real property. It was enacted for the sole purpose of providing the department of taxation (which at the time also administered the real property tax) with additional data for the determination of market value of properties transferred. This information was also to assist the department in establishing real property assessed values and at that time the department stated that the conveyance tax was not intended to be a revenue raising device.

Prior to 1993, the conveyance tax was imposed at the rate of 5 cents per \$100 of actual and full consideration paid for a transfer of property. At the time all revenues from the tax went to the general fund. The legislature by Act 195, SLH 1993, increased the conveyance tax to 10 cents per \$100 and earmarked 25% of the tax to the rental housing trust fund and another 25% to the natural area reserve fund. As a result of legislation in 2005 and in 2009, the conveyance tax rates were substantially increased and bifurcated between nonowner-occupied residential properties and all other properties. Tax brackets were based on the amount of the value transferred. Until 2005, 50% of the receipts went into the general fund and the other half was split with the affordable rental housing program and the natural area reserve program. Beginning in 2005, another 10% was taken for the land conservation fund.

Act 84, SLH 2015, imposed the \$6.8 million cap on the earmark. In 2015, the Conference Committee explained the rationale for the cap on the earmark as follows:

Your Committee on Conference finds that budgetary planning and transparency are key components to ensuring the ongoing fiscal health of the State. Your Committee on Conference believes that, by establishing maximum amounts to be distributed to various non-general funds from the conveyance tax, this measure will make forecasts of general fund revenues more reliable, will increase legislative oversight of agencies and programs

Re: SB 2356 Page 2

supported by the non-general funds, and will subject those agencies and programs to competition for limited public funds if the agencies or programs want more than the amount automatically distributed to their non-general funds.

Conf. Comm. Rep. No. 156 (2015).

Raising the cap on the earmarked revenues (or eliminating the cap altogether, as this bill does) should be done only with great caution. As with any earmarking of revenues, the legislature will be preapproving each of the programs fed by the fund into which the tax monies are diverted, expenses from the funds largely avoid legislative scrutiny, and the effectiveness of the programs funded becomes harder to ascertain. It is also difficult to determine whether the fund has too little or too much revenue.

If the legislature deems the programs and purposes funded by this fund to be a high priority, then it should maintain the accountability for these funds by appropriating the funds as it does with other programs. Earmarking revenues merely absolves elected officials from setting priorities. If the money were appropriated, lawmakers could then evaluate the real or actual needs of each program.

Digested 1/24/2020



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## The Trust For Public Land's Testimony In Support Of SB 2356 Relating To the Land Conservation Fund

Senate Committee on Water & Land, Conf. Room 229 Wednesday, January 29, 2020, 1:15 p.m.

Aloha e Chair Kahele, Vice Chair Keith-Agaran, and Committee Members:

The Trust for Public Land strongly supports SB 2356. This bill eliminates the \$6.8 million statutory cap on the Legacy Land Conservation Program ("Legacy Program").

HRS §247-7 currently provides that 10% or \$6.8 million (whichever is lower) of the real estate conveyance tax will go towards the Legacy Program. This bill eliminates the \$6.8 million cap. We note, however, that this bill does **not** address the \$5.1 million spending ceiling set by the Legislature in its budget bill (LNR101).

The Trust for Public Land was part of a coalition legislators and community and environmental groups that worked together to enact the Legacy Program in 2005, which sets aside funding from the real estate conveyance tax to conserve land and special places throughout Hawai'i Nei. 2020 marks the program's 15<sup>th</sup> anniversary. The Legacy Program has conserved significant cultural sites, watersheds that produce our drinking, important habitat for native species, agricultural land that increases our food security, and beaches and coastal areas enjoyed by all. Each year, there are many more worthy projects than there is available funding.

The Governor's executive supplemental budget requests that the spending ceiling for the Legacy Program be increased from \$5.1 million to \$10.2 million in honor of the15th Anniversary. Over \$20 million of unspent money has built up in the Legacy Program fund because:

- (1) The spending ceiling set by the Legislature in its budget bill of \$5.1 million is lower than the amount deposited in the fund (\$6,8 million or 10% of the real estate conveyance tax, whichever is lower) DLNR is only authorized to spend \$5.1 million, which is less than what is going into the fund; and
- (2) Monies for projects that do not close are returned to the fund.

This has caused a large unallocated pool of money of over \$20 million to build up in the fund that the DLNR and Legacy Program cannot spend or use for land conservation, as the Legislature and supporters of the program originally intended.

We urge you to talk with your colleagues on the Senate Ways & Means Committee and the House Finance Committee and support increasing the FY21 spending ceiling for this worthy program from \$5.1 to \$10.2 million (LNR101). Over 50 community, Hawaiian, and business organizations support this effort (see attached supporter list) – from the Land Use Research Foundation and the James Campbell Co. to the Sierra Club.

Mahalo -

Lea Hong

Hawaiian Islands State Director Edmund C. Olson Trust Fellow



#### Join Us in Celebrating the Legacy Program's 15th Anniversary!

The following community organizations, businesses, and landowners have joined together in support of the Governor's request to increase the Legacy Program's spending ceiling from \$5.1M to \$10.2M for FY21 in honor of the 15<sup>th</sup> anniversary of the Legacy Program and its legacy of Aloha 'Āina:

'Ahahui Mālama I Ka Lōkahi Ala Kahakai Trail Association

Alexander & Baldwin

Aloha 'Āina Health Center

Aloha Kuamo'o 'Āina

Blue Planet Foundation

Castle & Cooke Hawai'i

Cave Conservancy of Hawai'i

**Dole Food Company** 

Friends of Amy B. H. Greenwell Ethnobotanical Garden

Gill 'Ewa Lands LLC

Hawaiian Islands Land Trust

Hawai'i Agriculture Research Center

Hawai'i Alliance For Community Based Economic

Development

Hawai'i Audubon Society

Hawai'i Bicycling League

Hawai'i Wildlife Fund

Hi'ipaka LLC

Hika'alani

Historic Hawai'i Foundation

Hō'ala 'Āina Kūpono

Ho'omalu Ka'ū

Hui Kawainui-Kailua Ka Wai Ola

James Campbell Company LLC

**KAHEA** 

Kailua Historical Society

Ka Makani O Kohala 'Ohana

Ka 'Ohana O Honu'apo

Kauluakalana

Ke Ao Hali'i

Kīpahulu 'Ohana, Inc

Kohala Lihikai

Kōkua Kalihi Valley Comprehensive Family Services

Kona Historical Society

Kua'āina Ulu 'Auamo (KUA)

Kuahiwi Ranch

KUPU

Land Use Research Foundation

Livable Hawaii Kai Hui

Maika'i Kamakani O Kohala

Mālama Learning Center

MA'O Organic Farm

Maui Nui Makai Network

Maunalua Fishpond Heritage Center

Moku O Keawe Land Conservancy

Moloka'i Land Trust

Nā Mamo O Mū'olea

National Tropical Botanical Garden

The Nature Conservancy Hawai'i North Shore Community Land Trust

The Outdoor Circle

Pacific American Foundation

Paepae o He'eia

Pono Pacific

Pūlama Lana'i

Sierra Club of Hawai'i

Stanford Carr Development

Sunset Ranch

The Surfrider Foundation, Hawai'i Chapters

The Trust for Public Land Hawai'i

The Ulupono Initiative

Wailupe 'Ohana Council

Waipā Foundation

YMCA of Honolulu

# IMPACT OF INCREASING THE LEGACY LAND SPENDING CEILING



#### CONSERVE OVER 15.000 ACRES

of cultural, natural, & agricultural landscapes

# PROTECT OVER 2.4 MILES OF PRISTINE COASTLINE





#### **PRESERVE 2 VITAL WATERSHEDS**

on Maui & Moloka'i

#### **MĀLAMA CULTURAL SITES**

'Ili'ili'ōpae the largest heiau on Moloka'i, a fishing village, & an ancient defensive cave on Hawai'i Island





#### **CONSERVE ECOSYSTEMS**

Kaʻaluʻalu Bay, Kapenako spring, anchialine ponds, coastal habitat, & native forest

#### **SUPPORT LOCAL AGRICULTURE**

Over 1,900 acres of ag land, stream restoration for kalo cultivation, & 4 grazing/ ranching leases



# The State of Hawai'i Legacy Land Conservation Program: 15 Years of Aloha 'Āina

#### **Celebrate By Raising The Legacy Program Spending Ceiling**

In celebration of the 15th anniversary of the State Legacy Land Conservation Program ("the Legacy Program"), a coalition of community organizations, landowners, and businesses listed in the insert support doubling the spending ceiling for FY21 from \$5.1M to \$10.2M in the Legislature's annual budget bill.

Lands with important cultural, natural, and agricultural resources are sometimes, despite land use laws, threatened with development, destruction, or made inaccessible to the public. The Legacy Program is a win-win approach to these conflicts.

The Legacy Program is a completely voluntary program where private landowners voluntarily consent to the purchase of or conservation of their lands. The Legacy Program provides grants to public agencies and non-profit community organizations to purchase and voluntarily conserve land to protect unique and threatened natural and cultural resources: e.g., historic

sites, coastlines, native forest, watersheds, scenic open space, agricultural and ranch land, and recreational, fishing, and hunting areas.

In 2005, the Legislature enacted the program with nearly unanimous bipartisan support by its members and by an enthusiastic cross section of community, conservation, and affordable housing groups.

The Legislature prophetically recognized that an "alarmingly small amount of money is invested each year to protect our natural capital base" and that the "preservation, protection, and enhancement of the State's land, coastal areas, and natural resources are of central importance for current and future residents and for the state economy."

The Legacy Program has since protected 36 special places and over 21,000 acres throughout Hawai'i nei and leveraged two-thirds of funding from county, federal, or private sources.



Ka Iwi Coast, O'ahu: 182 acres of scenic coastline protected in 2017 with funds from the Legacy Program and the City and County of Honolulu Clean Water & Natural Lands Program after 40 years of grassroots advocacy.

#### **How The Legacy Program Works**

For 15 years, the State's Legacy Program has protected treasured lands across Hawai'i in a fiscally responsible, transparent, and community-supported manner.

Applicants to the Legacy Program go through a rigorous vetting process administered by the Legacy Land Conservation Commission ("the Commission") made up of nine volunteer Governor-appointed commissioners with subject matter expertise (e.g., Hawaiian culture, native plants and animals, agriculture) and geographical representation from all the islands. The Commission analyzes detailed applications, conducts site visits, consults with the House Speaker and Senate President, ranks projects, and makes funding recommendations to the State Board of Land and Natural Resources.

Once an applicant is awarded funding, Legacy Program staff then work with the State Attorney General's department and the Land Division to ensure that the State's investment of funding is protected and documented via appraisals, deed restrictions, conservation easement restrictions, title review, and contractual grant agreement requirements.

#### A Legacy of Aloha 'Āina

These 44 special places have benefited from the Legacy Program:

#### **HAWAI'I ISLAND**

- ◆ Amy B.H. Greenwell Ethnobotanical Garden, Kona
- ♦ Hilo Forest Reserve
- ♦ Kahuku Coastal Property, Ka'ū
- ♦ Kaiholena, North Kohala
- ♦ Kaiholena South, North Kohala
- ♦ Kalukalu Ranch, Kealakekua
- ♦ Kapanaia, Kohala\*
- ♦ Kauhola Point, North Kohala
- ♦ Kawā I & 2, Ka'ū
- ◆ Kīpuka Kanohina, Ka'ū
- ♦ Kuamo'o Battlefield & Burial Grounds, Kona
- Lapakahi State Historical Park, North Kohala
- Pāo'o, North Kohala
- Uchida Farm, Kealakekua
- ♦ Waikapuna, Ka'ū

#### **MAUI**

- ♦ Kahanu, Hāna
- ♦ Mokae to Maka'alae Lands, Hāna, Maui\*
- Nu'u, Southeast Maui

#### **MOLOKA'I**

- ♦ Kainalu Ranch, East Moloka'i
- Kawaikapu, East Moloka'i
- ◆ Pua'ahala Watershed, Kamalō

#### **KAUA'I**

- ♦ Black Pot Beach Expansion, Hanalei
- ♦ Halulu Fishpond Access, Waipā\*
- ♦ Kaluanono, Waipā\*

#### **O'AHU**

- ♦ Hakipu'u Lo'i Kalo\*
- ◆ Hāwea Heiau & Keawāwa Wetlands, East Honolulu
- ✦ Helemano Wilderness Recreation Area, Central O'ahu
- ♦ Honouliuli Forest Reserve, West O'ahu
- ♦ Ho'oulu Ola, Kalihi\*
- ♦ Kalauao Valley, 'Ewa
- ♦ Kānewai Spring, East Honolulu
- ♦ Kunia Hawai'i Agricultural Research Center
- ◆ MA'O Organic Farm Palikea Expansion, Wai'anae
- MA'O Organic Farm Takahashi Farm Expansion, Wai'anae
- Maunawila Heiau, Hau'ula
- ♦ Pia Valley, East Honolulu\*
- ♦ Pu'ukua, Waimea Valley
- ♦ Pu'u o Ehu Hāmākua Marsh
- ♦ Ulupō Heiau Buffer, Kailua\*
- Sunset Ranch, North Shore
- ◆ Turtle Bay Makai Kahuku Kawela Forever, North Shore
- ◆ Turtle Bay Mauka Agricultural Lands, North Shore
- ♦ Waimea Native Forest, North Shore

<sup>\*</sup>Pending projects that have not yet closed or been completed.

# 21,000+

acres protected across five islands

36

properties conserved in perpetuity, and another 8 properties awaiting completion

**42** 

participating community partners, including counties, state agencies, and nonprofit organizations

**\$1=\$3** 

every state dollar is matched by \$2 of other federal, county, or private funding

**15** 

years in operation, the Legacy Program has protected some of Hawai'i's most treasured places

# What Is The Legacy Program's Spending Ceiling?

The State of Hawai'i dedicates a portion of revenue from the real estate conveyance tax (a tax paid by the seller whenever land is sold) to the Legacy Land Conservation Fund ("the Legacy Fund"). Ten percent or \$6.8 million, whichever is less, of the real estate conveyance tax goes into the Legacy Fund.

The Legislature has generally imposed a \$5.1M "spending ceiling" that is lower than the \$6.8M that goes into the Legacy Fund annually.

After administration/staffing costs and the \$1.5M debt service for the Turtle Bay Makai conservation project, only about \$3.2M has been available for competitive grants for land conservation projects statewide each year since 2016.

Meanwhile, over \$20M has built up unspent in the Legacy Fund, as the amount flowing into the fund (\$6.8M) exceeds the annual spending ceiling (\$5.1M) or projects are discontinued.



Over 2,300-acres known as Waikapuna located in Kaʻū, Hawaiʻi Island was recently acquired by the Ala Kahakai Trail Association, funded by the County of Hawaiʻi's Open Space Program and the State's Legacy Program, conserving over 2.3 miles of the Ala Kahakai National Historic Trail, an ancient fishing village, and hundreds of cultural sites. The Kaʻū community has been working for decades to protect their beloved 80-mile coast to honor their kūpuna and perpetuate their rural lifestyle.

# What Is The Impact Of Increasing The Spending Ceiling for FY21?

Each year, the number of applicants to the Legacy Program has increased with non-profits and public agencies competing for funding. For FY21, the Legacy Commission recommended 11 projects for full funding. But under the spending ceiling, only two projects can be fully funded.

While community demand for protecting land has intensified, land and prices and development pressures have increased, the spending ceiling has remained the same, resulting in missed opportunities for many worthy and timesensitive land acquisitions.

In his FY21 Executive Budget, the Governor is requesting a one-year increase of the Legacy Program spending ceiling from \$5.1M to \$10.2M. A total of \$8.1M would be available for competitive land acquisition grants allowing four more special places to be conserved in Hawai'i.

This would <u>not</u> increase the conveyance tax. The spending ceiling increase would draw upon existing unspent funds (now over \$20M) and would <u>not</u> affect other parts of the State budget.

The proposed spending ceiling increase could contribute to the purchase and protection of the top six ranked projects in FY21, conserving extremely valuable and sensitive cultural and natural landscapes, watersheds, native habitat, agricultural lands, and coastlines facing acute and imminent threats of development in Maka'alae (Hāna, Maui), Kiolaka'a (Ka'ū, Hawai'i), Manāka'a (Ka'ū Hawai'i), Mokae (Hāna, Maui), Mapulehu (East Moloka'i), and Na Wai 'Eha (Maui).

## Commission's Recommended Ranking of FY21 Legacy Program Projects

I) Makaʻalae, Hāna, Maui	\$1.587M
2) Kiolaka'a, Ka'ū, Hawai'i	\$1.475M
Total available for grants under current \$5.1M spending ceiling (includes partial funding of \$138K for Manākaʻa)	\$3.2M
3) Manāka'a Fishing Village, Ka'ū, Hawai'i	\$875K
4) Mokae, Hāna, Maui	\$1.8633M
5) Mapulehu, East Molokaʻi	\$300K
6) Nā Wai 'Ehā	\$2M
The projects (above) that will go unfunded if spending ceiling is not raised from \$5.1M to \$10.2M	\$8.1M
7) Haloa 'Āina, Kealakekua, Hawai'i	\$500K
8) Halulu Fishpond, Waipā, Kauaʻi	\$600K
9) Waikalua Loko, Kāneʻohe Bay, Oʻahu	\$700K
10) Keoneʻōʻio, South Maui	\$1.1915M
II) Nānuʻalele. Hāna, Maui	\$66K

Due to overall funding constraints, these important projects recommended for funding by the Commission will not receive funds in FY21.



Nearly an acre added to the Hanalei Black Pot Beach Park in 2010, with funds from the Legacy Program and Kaua'i Open Space Fund.



Mokae, Hāna, Maui - 32.7 acres of shoreline that could be saved if the spending ceiling is increased for FY21.

#### SB-2356

Submitted on: 1/29/2020 1:03:55 AM

Testimony for WTL on 1/29/2020 1:15:00 PM



Submitted By	Organization	Testifier Position	Present at Hearing
Thorne Abbott	Testifying for Coastal Planners, LLC	Support	No

#### Comments:

We STRONGLY support this bill and its intent to allow 10% rather than a specific ceiling of \$6,800,000 given that these collected taxes fund the protection of valuable ecological, natural, and cultural assets from willing sellers that deliver public interest in the form of quality of life and conservation of valued resources, among many others. Many worthy projects go unfunded that could benefit from the change proposed. Please support the proposed change.

#### SB-2356

Submitted on: 1/28/2020 12:55:03 PM

Testimony for WTL on 1/29/2020 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Beryl Blaich	Individual	Support	No

#### Comments:

Dear Chairman Kahele and Vice Chairman Keith-Agaran:

I support removal of the cap on conveyance taxes paid into to the State Land Conservation Fund. Thank you to the Senators who introduced and co-sponsored this bill.

I serve on the State Legacy Lands Commission, appointed and confirmed last year. Having had the responsibility of reviewing thirteen 2020 and 2021 applications, visiting places and hearing public testimony for the Legacy Lands grants, I witnessed what experienced Commissioners had described to me: There were so many emblematic places worthy of receiving grant funding. The amount of money available in the grant program could only fund a very few. Ranking, among so many qualified and compellingly vulnerable places, was very hard and left you more distressed than satisfied, reviewing your choices, thinking about how more could be done.

Returning to the original provision of putting ten percent of the collected conveyance tax, rather than the cap of \$6,800,000 which was enacted in 2015, will help. More money is likely to be available for the grant program. More places can be protected. I truly hope so

I do acknowledge that the conservation fund is used for other important purposes of paying debt service on financial obligations for past acquisitions (so far, the important Turtle Bay acquisition) and maintenance and needed improvements for past aquisitions. I recognize that ten percent of the conveyance tax may not always exceed \$6,800,000. However, the present and ongoing future need for more heritage lands conservation outweighs that risk.

The DLNR 2019 report the Legislature on the Conservation Fund succinctly states the need for this bill:

Given the ongoing rise in property values and land acquisition costs, and the steady flow of applications for worthy uses of the Fund, the Department recommends that the Legislature raise the spending ceiling of the Fund for future years in order to help this important and popular program maintain its purchasing power and meet public demand.

(Report to the Thirtieth Legislature, on the Legacy Lands Program, DLNR, November 2019, p.18.)

Thank you very much for your attention and your work.

With aloha,

Beryl Blaich

PO Box 1434, Kilauea, HI 96754, 808-346-9589, punab4@gmail.com