
HOUSE RESOLUTION

ESTABLISHING AN INVESTIGATING COMMITTEE TO FOLLOW UP ON THE AUDITS OF THE DEPARTMENT OF LAND AND NATURAL RESOURCES' SPECIAL LAND AND DEVELOPMENT FUND, REPORT NO. 19-12, AND AGRIBUSINESS DEVELOPMENT CORPORATION, REPORT NO. 21-01; TO EXAMINE THE RECOMMENDATIONS MADE IN THOSE AUDITS; AND FOR PURPOSES OF IMPROVING THE OPERATIONS AND MANAGEMENT OF THESE STATE AGENCIES, THEIR FUNDS, AND ANY OTHER MATTERS.

1 WHEREAS, the Legislature is vested with the responsibility
2 of determining state policy and appropriating public funds; and
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4 WHEREAS, to promote transparency, accountability, and the
5 proper functioning of the state government, the Legislature
6 requires audits to examine the efficiency and effectiveness of
7 government programs or agencies or the fairness of the financial
8 statements of the State and its agencies; and
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10 WHEREAS, pursuant to Act 209, Session Laws of Hawaii 2017,
11 the State Auditor submitted an audit of the Department of Land
12 and Natural Resources' Special Land and Development Fund (Report
13 No. 19-12), which made several recommendations for the Board of
14 Land and Natural Resources, Department of Land and Natural
15 Resources' Land Division, and Department of Land and Natural
16 Resources based on the following findings:
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18 (1) Without a strategic plan for its public lands, the
19 management of leases and revocable permits by the
20 Department of Land and Natural Resources' Land
21 Division defaults to maintaining the status quo rather
22 than exploring higher and better use;
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24 (2) Lack of complete and coherent policies and procedures
25 prevents the Department of Land and Natural Resources'
26 Land Division from adequately managing its leases and
27 revocable permits; and



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- (3) Lack of transparency and accountability hinders the administration of the Special Land and Development Fund; and

WHEREAS, the State Auditor also submitted a performance audit of the Agribusiness Development Corporation (Report No. 21-01) pursuant to Act 28, Session Laws of Hawaii 2019, which found:

- (1) The Agribusiness Development Corporation has done little to fill the economic void created by the closure of the sugar and pineapple plantations;
- (2) The Agribusiness Development Corporation's land management struggles expose the State to unnecessary risk;
- (3) The Agribusiness Development Corporation's Board of Directors provide minimal guidance and oversight to the corporation; and
- (4) The Agribusiness Development Corporation's financial records were not auditable; and

WHEREAS, the State Auditor made twenty-eight recommendations for the Agribusiness Development Corporation as a whole and five recommendations specifically for the Board of Directors of the Agribusiness Development Corporation to address the issues identified in the audit; and

WHEREAS, the implementation of the recommendations made in the audits of the Department of Land and Natural Resources' Special Land and Development Fund and Agribusiness Development Corporation are of great interest to the House of Representatives and public to ensure the proper operation and management of state programs and agencies; and

WHEREAS, chapter 21, Hawaii Revised Statutes, establishes "procedures governing legislative investigating committees to provide for the creation and operation of legislative investigating committees in a manner which will enable them to



1 perform properly the powers and duties vested in them, including
 2 the conduct of hearings, in a fair and impartial manner,
 3 consistent with protection of the constitutional rights of
 4 persons called to testify at such hearings and preservation of
 5 the public good"; and

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 7 WHEREAS, section 21-3, Hawaii Revised Statutes, authorizes
 8 the establishment of an investigating committee by a single
 9 house resolution, and Rule 28.12 of the Rules of the House of
 10 Representatives for the Thirty-First Legislature allows for the
 11 establishment of an investigating committee pursuant to
 12 chapter 21, Hawaii Revised Statutes, for the purposes therein
 13 mentioned; now, therefore,

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 15 BE IT RESOLVED by the House of Representatives of the
 16 Thirty-first Legislature of the State of Hawaii, Regular Session
 17 of 2021, that an investigating committee is established pursuant
 18 to chapter 21, Hawaii Revised Statutes, and may operate during
 19 the interim between the 2021 and 2022 Regular Sessions; and

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 21 BE IT FURTHER RESOLVED that the purpose and duties of the
 22 investigating committee and the subject matter and scope of its
 23 investigative authority shall be:

- 24
 25 (1) To follow up on the audits of the Department of Land
 26 and Natural Resources' Special Land and Development
 27 Fund, Report No. 19-12, and Agribusiness Development
 28 Corporation, Report No. 21-01;
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 30 (2) To examine the recommendations made in those audits;
 31 and
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 33 (3) For purposes of improving the operations and
 34 management of these state agencies, their funds, and
 35 any other matters; and

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 37 BE IT FURTHER RESOLVED that the investigating committee
 38 shall have every power and function allowed to an investigating
 39 committee by law, including without limitation the power to:

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 41 (1) Adopt rules for the conduct of its proceedings;
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- (2) Issue subpoenas requiring the attendance and testimony of witnesses and subpoenas ducēs tecum requiring the production of books, documents, records, papers, or other evidence in any matter pending before the investigating committee;
- (3) Hold hearings appropriate for the performance of its duties, at times and places as the investigating committee determines;
- (4) Administer oaths and affirmations to witnesses at hearings of the investigating committee;
- (5) Report or certify instances of contempt as provided in section 21-14, Hawaii Revised Statutes;
- (6) Determine the means by which a record shall be made of its proceedings in which testimony or other evidence is demanded or adduced;
- (7) Employ professional, technical, clerical, or other staff and expend such funds appropriated for the House of Representatives operating expenses for 2021 as necessary for the proper performance of its duties;
- (8) Provide for the submission, by a witness's own counsel and counsel for another individual or entity about whom the witness has devoted substantial or important portions of the witness's testimony, of written questions to be asked of the witness by the chair; and
- (9) Exercise all other powers specified under chapter 21, Hawaii Revised Statutes, and the Rules of the House of Representatives, with respect to an investigating committee; and

BE IT FURTHER RESOLVED that the investigating committee shall consist of at least five members, including a chair and vice chair, to be appointed by the Speaker of the House of Representatives exclusively from the membership of the House of Representatives; and



1 BE IT FURTHER RESOLVED that the Speaker of the House of
2 Representatives may, from time to time, refer to the
3 investigating committee specific matters that fall within the
4 scope of the investigating committee's jurisdiction, and the
5 investigating committee shall work in cooperation with the
6 Speaker of the House of Representatives for the purposes stated
7 in this Resolution; and

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9 BE IT FURTHER RESOLVED that the investigating committee
10 shall submit its written findings and recommendations, including
11 any proposed legislation, to the House of Representatives prior
12 to the convening of the Regular Session of 2022 and cease to
13 exist upon the adjournment sine die of the Regular Session of
14 2022 unless extended; and

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16 BE IT FURTHER RESOLVED that certified copies of this
17 Resolution be transmitted to the Speaker of the House of
18 Representatives, Chairperson of the Board of Land and Natural
19 Resources, and Chairperson of the Board of Directors of the
20 Agribusiness Development Corporation.

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23 OFFERED BY: *Allen R. Bunting*

APR 29 2021

