DAVID Y. IGE GOVERNOR OF HAWAII





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

> ROBERT K. MASUDA FIRST DEPUTY

M. KALEO MANUEL DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES BOATING AND OCEAN RECREATION BUREAU OF CONVEYANCES COMMISSION ON WATER RESOURCE MANAGEMENT CONSERVATION AND RESOURCES ENFORCEMENT ENGINEERNA FORESTRY AND WILDLIFE HISTORIC PRESERVATION KAHOOLAW E ISLAND RESERVE COMMISSION LAND STATE PARKS

STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621 HONOLULU, HAWAII 96809

Testimony of SUZANNE D. CASE Chairperson

Before the House Committee on WATER & LAND

Thursday, February 10, 2022 8:30 AM State Capitol, Conference Room 430 & Videoconference

In consideration of HOUSE BILL 2041 RELATING TO THE LAND CONSERVATION FUND

Senate Bill 2351 proposes to increase the funds paid into the Land Conservation Fund from conveyance tax revenue from the current \$5.1M to \$8M (SECTION 2); appropriate additional moneys from the Land Conservation Fund for land acquisition (SECTION 3); and increase the percentage of a preceding year's Land Conservation Fund revenue that may be used to award grants for operating, maintaining, and managing over forty properties already conserved/protected through land acquisition grants from the Land Conservation Fund from five percent to twenty-five percent (SECTION 1). 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. The Department offers the following comments and an amendment.

During Fiscal Years 2016-2021, implementation of Conveyance Tax revenue caps reduced Land Conservation Fund revenues by \$14 million. In fiscal year 2021, \$15 million was transferred from the Land Conservation Fund to the general fund. After these losses, and with full spending of existing appropriations for Fiscal Years 2022 and 2023, the projected cash balance of the Land Conservation Fund will be just \$4.4 million. This money could be put to good use for the conservation of land for the people of Hawaii.

Recent escalation in real estate market values has eroded the buying power of the Land Conservation Fund to its lowest level since its inception. At current funding levels, the Legacy Land Conservation Program is unable to support many important opportunities for land acquisition. The current revenue stream—if restricted to \$5.1 million per year—will not deliver adequate support for the land acquisition demands demonstrated year upon year and will limit the

amount available for management grants to \$255,000 or less per year. Senate Bill 2351, if enacted, would begin to return Land Conservation Fund finances to the position envisioned by the 2005 Legislature when it recognized that "an alarmingly small amount of money is invested each year to protect our natural capital base" and "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).

The Department of Taxation reports that Fiscal Year 2022 Conveyance Tax revenues reached over \$118 million by the end of December 2021. If these revenues are distributed this fiscal year, under the \$8 million cap proposed by this measure, then the Land Conservation Fund would receive an additional infusion of \$2.9 million, and an additional \$145,000 would become available for management grants in Fiscal Year 2023. Therefore, the Department requests that the Committee consider amending SECTION 5, page 3, line 8 of this measure to read as follows:

```
SECTION 5. This Act shall take effect [<del>on July 1,</del> <del>2022.</del>] <u>upon approval.</u>
```

Thank you for the opportunity to comment on this measure.

DAVID Y. IGE GOVERNOR OF HAWAII





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

> ROBERT K. MASUDA FIRST DEPUTY

M. KALEO MANUEL DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES BOATING AND OCEAN RECREATION BUREAU OF CONVEYANCES COMMISSION ON WATER RESOURCE MANAGEMENT CONSERVATION AND RESOURCES ENFORCEMENT ENGINEERNA FORESTRY AND WILDLIFE HISTORIC PRESERVATION KAHOOLAW E ISLAND RESERVE COMMISSION LAND STATE PARKS

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Thank you for the opportunity to comment on this measure.

DAVID Y. IGE GOVERNOR OF HAWAII





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

> ROBERT K. MASUDA FIRST DEPUTY

M. KALEO MANUEL DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES BOATING AND OCEAN RECREATION BUREAU OF CONVEYANCES COMMISSION ON WATER RESOURCE MANAGEMENT CONSERVATION AND RESOURCES ENFORCEMENT ENGINEERNA FORESTRY AND WILDLIFE HISTORIC PRESERVATION KAHOOLAWE ISLAND RESERVE COMMISSION LAND STATE PARKS

STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621 HONOLULU, HAWAII 96809

Testimony of SUZANNE D. CASE Chairperson

Before the House Committee on WATER & LAND

Thursday, February 10, 2022 8:30 AM State Capitol, Conference Room 430 & Videoconference

In consideration of HOUSE BILL 2041 RELATING TO THE LAND CONSERVATION FUND

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SECTION 5. This Act shall take effect [<del>on July 1,</del> <del>2022.</del>] <u>upon approval.</u>
```

Thank you for the opportunity to comment on this measure.



Testimony of The Nature Conservancy Comments on HB 2041, RELATING TO THE LAND CONSERVATION FUND.

Committee on Water and Land February 10, 2022, 8:30 am Conference Room 430 & Videoconference

Aloha Chair Tarnas, Vice Chair Branco, and Members of the Committee:

The Nature Conservancy (TNC) offers comments on HB 2041, Relating to the Land Conservation Fund, which increases the percentage of the Land Conservation Fund that may be used for costs related to the operation, maintenance, and management of lands acquired by the fund; increases the maximum dollar amount of the conveyance tax distribution to the Land Conservation Fund; and appropriates funds from the Land Conservation Fund for the resource land acquisition.

The Land Conservation Fund supports the Legacy Land Conservation Program (LLCP), which funds grants to state and county governments and non-profit land conservation organizations to acquire land and protect valuable resources for public benefit. Protecting these lands offers wide benefits for the people of Hawai'i, including reforestation efforts that help mitigate the impacts of climate change by providing freshwater and preventing runoff, drought, and wildfires.

As real estate prices rise, raising the cap on the Land Conservation Fund will help meet the demand for and cost of acquiring land for public and ecological benefit. Under the current cap, the Legacy Land Conservation Program regularly is unable to meet all the need. Additionally, the Land Conservation Fund provides vital matching funds necessary to access federal money under the Land and Water Conservation Fund, which provides \$900 million annually for land conservation programs.

TNC does not oppose increasing the funds available for management of lands acquired under the LLCP; however, there must be an increase or removal of the cap to ensure the amount of funds available for acquisition is not reduced.

Increasing the cap on the Land Conservation Fund will support much needed land protection efforts as Hawai'i battles the impact of climate change.

Mahalo for the opportunity to provide testimony on HB 2041.

The Nature Conservancy of Hawai'i and Palmyra is a non-profit organization dedicated to the preservation of the lands and waters upon which all life depends. The Conservancy has helped protect more than 200,000 acres of natural lands in Hawai'i and Palmyra Atoll. We manage 40,000 acres in 13 nature preserves and work in over 50 coastal communities to help protect and restore the nearshore reefs and fisheries of the main Hawaiian Islands. We forge partnerships with government, private parties, and communities to people.

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HB-2041 Submitted on: 2/8/2022 4:06:19 PM Testimony for WAL on 2/10/2022 8:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Wei Fang	Wai'anae Community Re- Development Corp. DBA MA'O	Support	No

Comments:

Aloha Kakou. Thank you legislators for taking the time to consider increasing the percentage of the land conservation fund that may be used for costs related to the operation, maintenance, and management of lands acquired by the fund.

On our 22-year history as a Wai'anae-based organication focused on developing youth leaders from our region alongsisde greater food security for our State, MA'O has twice been supported with Legacy Lands funds at stages of our growth that proved to be critical in the long-term.

The first Legacy Lands funding we received in 2008 provided us with \$737K in partial funding to acquire an 11-acre parcel that moved MA'O from being on a short term lease to long-term land stewardship. The second Legacy Lands fudning we received in 2018 provided MA'O with \$750K in partial funding to acquire a 21-acre parcel that was the first step in our current 10-year strategic expansion plan wherein we increased our total acreage from 24 to 281. In both cases, looking strictly at the increase in pounds of food produced and farm revenue dollars, it would be hard to argue that both investments did not generate positive returns for our local economy, youth, food systems and environment within a just few short years. In the case of the 21-acre parcel recently purchased, it allowed MA'O to grow farm revenues from \$668K to \$1.08 Million in just two years. Not only did the additional acreage allow us to grow more food and generate these returns, it gave us the confidence to make real investments in our organization and community - buying equipment, making capital improvements to the properties, hiring more staff and interns for green, greater-than-living-wage jobs.

In both instances, our experience with the Legacy Lands Program was that the vetting was rigorous and the staff and volunteer committee members were highly professional and solutions oriented. This is a program that creates multifold benefits and should be empowered to grow its impact throughout the State.

We strongly support HB2041 and the opportunity to provide more funding and resources to the Legacy Land Conservation Fund.

Mahalo,

the MA'O Ohana



P. O. Box 2122 Wailuku, Maui, HI 96793

February 9, 2022

HB 2041 RELATING TO THE LAND CONSERVATION FUND

Aloha Honorable Representatives,

Ma`alaea Village Association (MVA), a 501(c) 3 nonprofit corporation, with over 190 dues-paying members, supports increased funding for the State's Land Conservation Fund.

The Ma`alaea community, along with other Maui community groups from Kihei to Haiku, has worked for decades to preserve "Ma`alaea Mauka" Ag. lands at the crossroads between Lahaina, Kihei and Central Maui, in open space and free from development. The property is key to restoring the Pohakea Watershed with its scenic views of Ma`alaea Bay and Haleakala. It contains the historic Lahaina Pali Trail which dates back over 100 years. Ma`alaea Bay is a precious resource, and home of the Hawaiian Islands National Humpback Whale Marine Sanctuary, and Kealia Pond National Wildlife Refuge as well as environmental leaders Maui Ocean Center and the Pacific Whale Foundation. Recent efforts to restore Ma`alaea Bay, a 303(d) 'impaired body of water designated by EPA, undertaken by the DLNR Division of Forestry and Wildlife (DOFAW), along with Maui nonprofit Maui Nui Marine Resource Council, have begun to address wildfire and erosion that threaten the Bay and the watershed. Combining this 257 acre property with the 4,000 acre West Maui watershed will allow the state to manage the entire watershed in perpetuity.

We have been successful in obtaining Maui County Council Open Space funding toward purchase of the property. With Trust for Public Lands helping to facilitate the process, we have made great headway with the County and the landowner toward realizing this long-held dream. MVA's application for "Pohakea Watershed Lands" was submitted to the DLNR Legacy Lands program in 2020; Ma`alaea is on the Legacy Lands calendar this month. Legacy Lands funding could make all the difference.

There are communities all over this state with precious natural resources, scenic vistas and valuable Ag. land that need to be protected and preserved. The Land Conservation Fund, in conjunction with other funders – both public and private, through the Legacy Lands program, makes this possible.

Please support increased funding for the Land Conservation Fund.

Mahalo!

upin Bretton

Lynn Britton Immediate Past President and Co-Founder, Ma`alaea Village Association

Cc: Scott Fretz, Maui Branch Manager, DLNR DOFAW

Lyndon Ibele, MVA President 2022

Lea Hong, Hawaii Director, Trust for Public Lands

HB-2041 Submitted on: 2/8/2022 5:00:35 PM Testimony for WAL on 2/10/2022 8:30:00 AM

 Submitted By	Organization	Testifier Position	Remote Testimony Requested
Scott Crawford	Ke Ao Hali'i (Save Hana Coast)	Support	No

Comments:

Aloha,

On behalf of Ke Ao Hali'i (Save Hana Coast), we would like to express our support for SB2041.

We are a Hawaiian land conservation organization that has benefited from the Land Conservation Fund to help protect and manage precious lands and return them to the stewardship of the community and traditional families of the area.

Many very worthwhile projects aren't able to receive funding because of the arbitrary cap on the amount of conveyance tax that goes into the fund. Please approve this bill to raise the amount of conveyance tax revenue that will go into the fund.

Mahalo,

Scott Crawford, Chair, Ke Ao Hali'i

HB-2041 Submitted on: 2/8/2022 6:23:12 PM Testimony for WAL on 2/10/2022 8:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Richard Pezzulo	Hi`ipaka LLC	Support	No

Comments:

Hi'ipaka, LLC, owner of the 1,875-acre Waimea Valley property on the North Shore of O'ahu, strongly supports the preservation, protection, and enhancement of the State's land, coastal areas, and natural resources through the land conservation fund and the legacy land conservation program of the Hawai'i Department of Land and Natural Resources.

Hi'ipaka has benefited from the support of the program and conducts careful monitoring and restoration of native ecosystems within the ahupua'a of Waimea Valley to demonstrate how cultural uses and resource gathering can encourage stewardship from the local community.

We encourage the approval of the bill which will promote healthy forests, watersheds, and nearshore waters.

Hi'ipaka, LLC, owner of the 1,875-acre Waimea Valley property on the North Shore of O'ahu, strongly supports the preservation, protection, and enhancement of the State's land, coastal areas, and natural resources through the land conservation fund and the legacy land conservation program of the Hawai'i Department of Land and Natural Resources.

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We encourage the approval of the bill which will promote healthy forests, watersheds, and nearshore waters.

Submitted on: 2/8/2022 7:56:42 PM Testimony for WAL on 2/10/2022 8:30:00 AM

_	Submitted By	Organization	Testifier Position	Remote Testimony Requested
	Robin Rayner	Ke Ao Hali'i	Support	No

Comments:

The original bill establishing the Land Conservation Fund was intended to help ensure some of our precious Hawaiian lands would be protected from development. With demand to develop property increasing and the cost to purchase land rising monthly, it is crucial that this Land Conservation Fund be increased to keep pace with the competing demands of private development.

PLEASE VOTE TO INCREASE RELATED COSTS AND THE APPROPRIATION OF FUNDS FOR LAND ACQUISITIONS.

Mahalo,

Robin Rayner

Board member, Ke Ao Hali'i

Hana, Maui





a community driven, volunteer based restoration project. Häwea Heiau Complex & Keawāwa Wetland celebrate the cultural and natural resources of your community



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February 8, 2022

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Livable Hawaii Kai Hui is a 501c(3) non-profit, community organization serving East Honolulu since 2004. We strive to promote sensible growth, respect for cultural & natural resources and upholding the integrity of the East Honolulu Sustainable Communities Plan. Hawaii House of Representatives Committee on Water & Land Meeting on February 10, 2022 at 8:30 a.m. Conference Room 430 & Videoconference

RE: Support & suggested amendment for HB2041, Land Conservation Fund

Aloha Chair Tarnas, Vice Chair Branco, and WAL Committee Members,

Livable Hawaii Kai Hui **supports an amendment** to HB2041 that would make Section 2 identical to the proposed language in SB2533 (heard by Senate WTL).

HB2041 does two critical things to strengthen the Legacy Land Conservation Program (LLCP) and build upon its record of success.

First and foremost, HB2041 raises the percentage of Land Conservation Fund monies that can be put toward the operation, maintenance, and management of lands after they have been acquired.

As a member of the Ka Iwi Coalition – which led the movement to protect Kaiwi Coast from Maunalua to Makapu'u – we know firsthand the positive impact an LLCP grant can have.

In 2014, Livable Hawaii Kai Hui was awarded one such grant to conserve the Kaiwi Mauka Lands in perpetuity. Not only did the grant fund a substantial portion of the acquisition (completed in 2016), it provided much needed momentum for our campaign to build public support.

But as grateful as we are for that push, we also know the struggle conservationists often face when the momentum of a big campaign levels out. Even projects that continue to receive tremendous levels of public support can always use more help. That's where HB2041 comes in.

Livable Hawaii Kai Hui has long observed that conservation is an ongoing kākou effort. Simply closing on a land deal or securing a conservation easement is only the starting point – the real work begins when people start to serve the land. By allowing more funding for land management, HB2041 attempts to recognize that fact.

Of course, changes in how we fund different activities mean little if there are too few funds to begin with. Section 2 of HB2041 offers a decent solution: it raises the cap on tax dollars that can be put toward the Land Conservation Fund, while still maintaining the 10% cap on revenue allocated to the fund overall. This doesn't guarantee maximum funding for the LLCP, but it ensures that the important matter of conservation is not forgotten amidst budgetary changes.

HB2041 can go one step further by removing reference to a dollar amount in the Land Conservation Fund allocation. So, whereas the existing statute and HB2041 both reference "Ten per cent or [\$X], whichever is less," SB2533 guarantees the full 10% share of revenue moving forward.

By passing HB2041 with an amendment to match SB2533, this Committee can show its support for true and effective conservation.

Mahalo,

Dizabery C. Faily

Elizabeth Reilly Founder/President Livable Hawaii Kai Hui

Dylan Ramos

Dylan Ramos Communications & Operations Livable Hawaii Kai Hui





A COMMUNITY DRIVEN, VOLUNTEER-BASED RESTORATION PROJECT. Hāwca Heian Complex & Keawāwa Wetland



THE TRUST FOR PUBLIC LAND

H A W A I [•] I 1164 Bishop St., Ste. 1512 Honolulu, HI 96813 tpl.org

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THE TRUST FOR PUBLIC LAND'S TESTIMONY REGARDING HB 2041

House Committee on Water & Land Thursday, February 10, 2022, 8:30 a.m. Conf. Rm. 430 & Videoconference

The Trust for Public Land has comments regarding HB 2041. The bill proposes to increase the percentage of the fund that can be used for management/maintenance on lands acquired with the fund from 5% to 25%, increases the current \$5.1 million cap on the Legacy Land Conservation Fund to \$8 million, and includes a special provision in Section 3 specifying a blank/placeholder amount for land acquisition.

The Trust for Public Land would support increasing the management/maintenance element of the fund to 25% if the cap on the fund is removed. During the past five or more years, the cap has remained at \$5.1 million while real estate prices have skyrocketed. Meanwhile, residents' desire to conserve special lands on their islands has risen. As a result, the Legacy Land Conservation Commission routinely recommends many more worthy projects for funding than there are funds available – double or triple the amount available in the fund. Due to lack of funds, projects must request money over multiple years – delaying closings, and resulting in heartbreaking missed opportunities while international or mainland speculators quickly purchase incredibly special lands above asking price or appraised fair market value, in cash, with short closings.

As real estate prices rise and conveyance tax collections rise, it is appropriate that the Legacy Land Conservation Fund increases proportionately without a cap and at the 10% level, keeping pace with rising real estate prices. Removing the cap would insure that sufficient funding remains available for land and conservation easement acquisition, while at the same time, providing management and maintenance support for lands acquired with the fund.

Mahalo for this opportunity to testify. I apologize that I will not be able to attend the hearing in person or virtually due to a scheduling conflict.

Me ke aloha,

Lea Hong

State Director Edmund C. Olson Trust Fellow



Submitted on: 2/9/2022 7:55:20 AM Testimony for WAL on 2/10/2022 8:30:00 AM

S	ubmitted By	Organization	Testifier Position	Remote Testimony Requested
0	Chris Cramer	Maunalua Fishpond Heritage Center	Support	No

Comments:

Maunalua Fishpond Heritage Center strongly supports this measure to strengthen this critical fund for the people of Hawai'i.

LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

LEGISLATIVE TAX BILL SERVICE

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: CONVEYANCE, Increase Earmark to Land Conservation Fund for Land Acquisition

BILL NUMBER: HB 2041, SB 2351

INTRODUCED BY: HB by SAIKI by request; SB by KEITH-AGARAN, KANUHA, LEE, Shimabukuro

EXECUTIVE SUMMARY: Increases the percentage of the land conservation fund that may be used for costs related to the operation, maintenance, and management of lands acquired by the fund. Increases the maximum dollar amount of the conveyance tax distribution to the land conservation fund. Appropriates funds from the land conservation fund for the resource land acquisition.

SYNOPSIS: Amends section 247-7, HRS, to increase the earmark to the Land Conservation Fund from \$5.1 million to \$8 million.

Amends section 173A-5, HRS, to provide that costs related to the operation, maintenance, and management of lands acquired by the fund shall not exceed 25%, up from 5%.

EFFECTIVE DATE: July 1, 2022.

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 a \$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 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). The cap was reduced to \$5.1 million in the budget bill of 2020, Act 9, SLH 2020.

Raising or removing the cap on the earmarked revenues 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: 2/8/2022

February 10, 2022

The Honorable David A. Tarnas, Chair House Committee on Water and Land Via Videoconference

RE: H.B. 2041, Relating to the Land Conservation Fund

HEARING: Thursday, February 10, 2022, at 8:30 a.m.

Aloha Chair Tarnas, Vice Chair Branco, and Members of the Committee,

I am Ken Hiraki, Director of Government Affairs, testifying on behalf of the Hawai'i Association of REALTORS[®] ("HAR"), the voice of real estate in Hawai'i, and its over 10,800 members. HAR **opposes** H.B. 2041 which removes the monetary cap for the amount of conveyance taxes collected that shall be paid into the land conservation fund.

The Conveyance Tax was not intended as a revenue generating tax. It was designed to cover the administrative costs to assist the Department of Taxation in determining market value of properties transferred.

In July 2012, the Auditor of the State of Hawaii prepared Report No. 12-04: "Study of the Transfer of Non-General Funds to the General Fund." The Auditor examined issues relating to the establishment and continuance of special and revolving funds in the State. The Auditor used the statutory criteria for establishment and continuance of special and revolving funds, under Sections 37-2.3 and 37-52.4 of the Hawaii Revised Statutes ("HRS"). Of those reviewed, the Auditor determined that the Land Conservation Fund and the Natural Area Reserve Fund (NARS) did not qualify for continuance, both of which are funded by the Conveyance Tax. Since then, the NARS has been removed.

Furthermore, the problem linking funding to the Conveyance tax is that when the real estate market is down, there are not enough funds to pay for the programs and special funds it covers. Then, the Conveyance Tax is often targeted for increase to cover these programs. However, when the market is up, there are excess funds over and above the program's needs. This becomes a cyclical issue, and unreliable in forecasting these program's needs.

The Conveyance Tax applies to the conveyance of multi-family rentals, land for residential subdivisions, affordable housing projects, mixed-income and multi-use properties, commercial properties, resort properties, and agricultural lands, as well as condominium and single-family homes. It applies whether or not a property is sold at a gain or a loss.

Finally, while the Land Conservation Fund is valuable, it should be noted it can request appropriations and funds through the budgetary process.

Mahalo for the opportunity to testify.



Submitted on: 2/8/2022 5:01:28 PM Testimony for WAL on 2/10/2022 8:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Gabrielle Sham	Individual	Support	No

Comments:

Aloha,

I am a resident of Kaimuki and I am writing to SUPPORT increasing the percentage of the land conservation fund that may be used for costs related to the operation, maintenance, and management of lands. Funds are needed to ensure proper management/stewardship of these lands so that sensitive resources may be protected and preserved for future generations.

Submitted on: 2/8/2022 7:34:17 PM Testimony for WAL on 2/10/2022 8:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Michelle Galimba	Individual	Support	No

Comments:

Aloha Chair Tarnas, Vice Chair Branco, and Committee Members,

Please support HB2041. The Legacy Land Conservation Fund is a valuable tool for preserving the health of our island's ecosystems and natural resources. The LLC Fund has been instrumental in our efforts to preserve the coastline and agricultural lands in Ka'u, and a well-funded and staffed LLC Fund will be helpful to many communities in building a balanced economy and brght future.

Mahalo,

Michelle Galimba

Submitted on: 2/8/2022 8:17:55 PM Testimony for WAL on 2/10/2022 8:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Denise E Antolini	Individual	Support	No

Comments:

Dear Chair Tarnas, Vice Chair Branco, and Committee Members,

Please support HB2041 to strengthen then Land Conservation Fund and program.

I have been involved with land trusts in Hawai'i since the late 1990s, when I worked with other community leaders to establish the North Shore Community Land Trust.

I know from personal experience the importance of the State Land Conservation Fund to protecting thousands of precious lands in Hawai'i.

The Land Conservation Fund is a vital tool to protection of major public trust resources in our state - and there is more work to be done.

The limitation of the Fund's success has never been lack of imagination or demand for assistance, but the constant battle for full funding, more flexibility in the spending, and the ceiling.

This bill helps to amplify the past success of the fund and warrants your support.

Mahalo!

Denise Antolini

Pūpūkea Oʻahu resident

Submitted on: 2/8/2022 8:33:18 PM Testimony for WAL on 2/10/2022 8:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Thorne Abbott	Individual	Support	No

Comments:

Please pass and enact this bill and any companion bills that increase the land conservation fund and its expenditures. The Legislature should encourage the protection of valued, unique lands that make Hawaii a special place by raising the cap on the amount collected and exended. Constituents, including myself, would view the Legislature as being proactive rather than viewed as trying to limit the amount of conservation activity and funding that can be granted to willing participants in the program. I fully support this bill and its passage and respectfully ask that you do too. Mahalo!