

Honolulu, Hawaii

APR 05 2024

RE: H.B. No. 2420
H.D. 2
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 2420, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS,"

begs leave to report as follows:

The purpose and intent of this measure is to ensure the availability of funding for efforts to reduce the number of applicants on the Department of Hawaiian Home Lands waitlist.

Specifically, the measure:

- (1) Establishes a temporary Act 279 special fund to be used by the Department of Hawaiian home lands to fulfill its fiduciary duties to beneficiaries of the Hawaiian Homes Commission Act and Act 279, Session Laws of Hawaii 2022;
- (2) Amends Act 279, Session Laws of Hawaii 2022, to provide that any unexpended or unencumbered moneys from the Act's appropriation shall lapse to the Act 279 special fund on June 30, 2024;
- (3) Appropriates unspecified moneys from the Act 279 special fund for the purposes of the special fund; and



- (4) Abolishes the Act 279 special fund on June 30, 2026, and provides that any unexpended and unencumbered balance shall lapse to the general fund.

Your Committee received written comments in support of this measure from the Department of Hawaiian Home Lands and one individual.

Your Committee received written comments on this measure from the Department of Budget and Finance, Department of the Attorney General, and Tax Foundation of Hawaii.

Your Committee notes that Act 279, Session Laws of Hawaii 2022, appropriated \$600,000,000 from the general fund to the Department of Hawaiian Home Lands to reduce the number of applicants on the Department's waitlist. However, your Committee recognizes that the Act's provision that any unencumbered moneys would lapse to the general fund on June 30, 2025, is inconsistent with article VII, section 11, of the Hawaii State Constitution, which provides in part that no general fund appropriation shall be made for a period exceeding three years. Accordingly, your Committee finds that this measure is an appropriate mechanism for the State to maintain the intent of Act 279 while operating according to constitutional requirements.

Your Committee further finds that opportunities exist to generate additional revenue from lands of the Department of Hawaiian Home Lands that can support and expand long-term funding for housing and services for beneficiary families, such as potential low-heat geothermal energy generation in Waimanalo, Oahu, and other similar opportunities that should be explored.

Your Committee has amended this measure by:

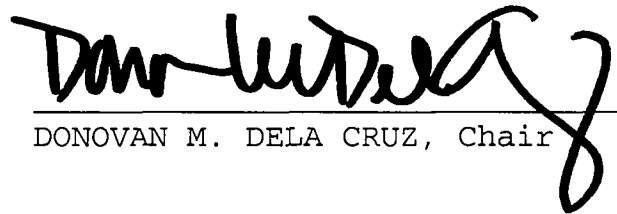
- (1) Providing that one of the uses of moneys in the Act 279 special fund includes exploring and developing opportunities to generate additional revenue from lands the Department of Hawaiian Home Lands controls to fulfill certain fiduciary duties;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and



- (3) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2420, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2420, H.D. 2, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



