
A BILL FOR AN ACT

RELATING TO PUBLIC LAND TRUST REVENUES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the State must set
2 right and fulfill its trust responsibilities to the indigenous
3 people of Hawaii, consistent with governmental action across
4 America to address injustices against indigenous peoples. It is
5 incumbent upon the legislature to enact legislation that upholds
6 its trust responsibilities and duty of care to native Hawaiians
7 to account for all ceded lands in the public land trust
8 inventory, account for all income and proceeds derived from the
9 public land trust, and transfer the full twenty per cent pro
10 rata share of income and proceeds from the public land trust
11 annually to the office of Hawaiian affairs for the betterment of
12 the conditions of native Hawaiians.

13 Act 273, Session Laws of Hawaii 1980, enacted section
14 10-13.5, Hawaii Revised Statutes, to implement the office of
15 Hawaiian affairs' pro rata share and required that the office of
16 Hawaiian affairs receive "[t]wenty per cent of all funds derived
17 from the public land trust." This legislative directive



1 addressing the constitutional mandate has led to a series of
2 lawsuits and legislative enactments concerning the office of
3 Hawaiian affairs' constitutional pro rata share of the public
4 land trust. The State and the office of Hawaiian affairs have
5 labored to resolve the political question of the statutory pro
6 rata share of income and proceeds derived from the public lands
7 trust, and payment to the office of Hawaiian affairs. Act 178,
8 Session Laws of Hawaii 2006, affirmed the State's trust
9 obligation under article XII, section 6, of the state
10 constitution to native Hawaiians by requiring that the
11 department of land and natural resources provide an annual
12 accounting of revenue-generating public trust lands and the
13 amounts derived from those lands to the legislature. The
14 interim measure also set a fixed amount of \$15,100,000 from the
15 pro rata share of the public land trust income and proceeds due
16 to the office of Hawaiian affairs for the betterment of the
17 conditions of native Hawaiians until further action is taken by
18 the legislature for this purpose.

19 Act 15, Session Laws of Hawaii 2012, was enacted to address
20 past-due amounts, which accumulated during the period between
21 November 7, 1978, up to and including June 30, 2012, of income



1 and proceeds from the public land trust owed to the office of
2 Hawaiian affairs by implementing an agreement between the State
3 and the office of Hawaiian affairs for the State to convey
4 certain lands in Kakaako, Oahu, to the office of Hawaiian
5 affairs valued at approximately \$200,000,000. Act 15 did not,
6 however, address the State's constitutional obligations relating
7 to the office of Hawaiian affairs' twenty percent pro rata share
8 of the income and proceeds from the public land trust generated
9 after June 30, 2012. Notably, a 2015-2016 financial review
10 initiated by the office of Hawaiian affairs found that the
11 minimum amount of total gross receipts from sources that the
12 office of Hawaiian affairs has historically claimed was
13 approximately \$394,322,163 in the fiscal year 2015-2016. Twenty
14 per cent of this amount is approximately \$78,900,000.

15 The legislature finds that to uphold its constitutional
16 trust obligation and duty to the indigenous people of Hawaii, it
17 must enact another legislative measure in light of the
18 information, data, and facts provided to the legislature by
19 state agencies since the enactment of Act 178, Session Laws of
20 Hawaii 2006, more than a decade ago.



1 The purpose of this Act is to increase the amount of moneys
2 transferred from the public land trust to the office of Hawaiian
3 affairs.

4 SECTION 2. Section 10-13.3, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "~~{}~~\$10-13.3~~{}~~ ~~Interim~~ Public land trust revenue. (a)
7 Notwithstanding the definition of revenue contained in this
8 chapter and the provisions of section 10-13.5, and
9 notwithstanding any claimed invalidity of Act 304, Session Laws
10 of Hawaii 1990, the income and proceeds from the pro rata
11 portion of the public land trust under article XII, section 6 of
12 the state constitution ~~[for expenditure by]~~ shall be transferred
13 to the office of Hawaiian affairs for the betterment of the
14 conditions of native Hawaiians ~~[for each of fiscal year 1997-~~
15 ~~1998 and fiscal year 1998-1999 shall be \$15,100,000.]~~ pursuant
16 to this section.

17 (b) All departments and agencies that collect receipts for
18 the use of ceded or public land trust land shall:

19 (1) Establish trust holding accounts to accumulate the
20 office's portion of each receipt that would otherwise
21 be deposited into the general fund or a special fund,



1 and to accumulate the remainder of each receipt that
2 would otherwise be deposited into the general fund for
3 the rest of the fiscal year;

4 (2) Determine if:

5 (A) Any federal or state law precludes any portion of
6 the receipt from being used to better the
7 conditions of native Hawaiians; or

8 (B) The transfer of any portion of the receipt will
9 cause the department or agency to renege on any
10 pre-existing pledge, rate covenant, or other pre-
11 existing obligation to holders of revenue bonds
12 or other indebtedness of the State, department,
13 or agency;

14 (3) If use of a receipt is not limited by the provisions
15 of paragraph (2):

16 (A) Determine the office's share of the receipt by
17 calculating the ceded and non-ceded fraction for
18 the parcel that generated the receipt by area
19 (square feet or acres), multiplying the receipt
20 by the ceded and non-ceded fraction, and
21 multiplying that result by twenty per cent;



- 1 (B) Deposit the resulting amount into the appropriate
2 trust holding account established pursuant to
3 paragraph (1) to accumulate the office's portion;
4 and
- 5 (C) Deposit the remaining portion of the receipt into
6 the general fund if it would otherwise be
7 deposited into the general fund, or deposit the
8 remaining portion of the receipt into the
9 appropriate special fund;
- 10 (4) If use of a receipt is limited by subparagraph (2) (A)
11 or (B), report the receipt as a gross receipt in a
12 manner as required by the department of land and
13 natural resources, and deposit the entire amount to
14 the credit of the general fund or special fund, as
15 appropriate; and
- 16 (5) Within ten calendar days of the close of each fiscal
17 quarter:
- 18 (A) Notify the department of budget and finance in a
19 manner established by the department of budget
20 and finance of the receipts collected and



1 deposited in each of its trust holding accounts,
 2 and transferred to the office; and
 3 (B) Transfer all receipts deposited in its trust
 4 holding accounts to the office and transmit
 5 records of that transfer to the office and the
 6 department of budget and finance."

7 SECTION 3. Nothing in this Act shall resolve or settle, or
 8 be deemed to acknowledge the existence of, the claims of native
 9 Hawaiians to the income and proceeds of a pro rata portion of
 10 the public land trust under article XII, section 6, of the state
 11 constitution.

12 SECTION 4. Statutory material to be repealed is bracketed
 13 and stricken. New statutory material is underscored.

14 SECTION 5. This Act shall take effect on July 1, 2025.

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INTRODUCED BY:

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H.B. NO. 293

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JAN 16 2025



H.B. NO. 293

Report Title:

Office of Hawaiian Affairs; Pro Rata Share; Minority Caucus
Package

Description:

Requires that all moneys in the pro rata portion of the Public
Land Trust be transferred to the Office of Hawaiian Affairs.

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not legislation or evidence of legislative intent.*

HB HMIA 2025-14

