

JAN 21 2026

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## A BILL FOR AN ACT

RELATING TO THE REIMBURSEMENT OF DEBT SERVICE ON THE PORTION OF  
THE TURTLE BAY REIMBURSABLE GENERAL OBLIGATION BONDS  
FINANCED BY THE LAND CONSERVATION FUND.

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

1 SECTION 1. The legislature finds that Act 121, Session  
2 Laws of Hawaii 2015 (Act 121), established the financing  
3 mechanism for the board of land and natural resources to  
4 acquire, among other things, a perpetual conservation easement  
5 for property at Turtle Bay on the North Shore of Oahu. By  
6 purchasing a conservation easement, the State guaranteed that  
7 hundreds of acres on Oahu's North Shore would remain protected,  
8 preserved, and undeveloped in perpetuity. Multiple entities  
9 contributed to the cost of the conservation easement. The State  
10 provided \$35,000,000 through the issuance of reimbursable  
11 general obligation bonds.

12 The legislature further finds that Act 121 established the  
13 Turtle Bay conservation easement special fund, from which moneys  
14 are expended to pay the debt service on the reimbursable general  
15 obligation bonds. Annual revenues to the Turtle Bay  
16 conservation easement special fund primarily consist of



1 \$1,500,000 from transient accommodations tax revenues and  
2 \$1,500,000 transferred from the land conservation fund.  
3 However, the \$3,000,000 in annual revenue to the fund is  
4 considerably more than the amount the fund expends for debt  
5 service on the reimbursable general obligation bonds. Under the  
6 current revenues and expenditures, the Turtle Bay conservation  
7 easement special fund will have a surplus of nearly \$15,000,000  
8 when the bonds are fully amortized in 2036.

9 The legislature believes that creating a nearly \$15,000,000  
10 surplus is not an efficient use of moneys. Instead, more moneys  
11 should remain in the land conservation fund to be used by the  
12 legacy land conservation program to acquire resource value lands  
13 under chapter 173A, Hawaii Revised Statutes. The current  
14 \$1,500,000 annual transfer from the land conservation fund to  
15 the Turtle Bay conservation easement special fund accounts for  
16 more than twenty-five per cent of the land conservation fund's  
17 expenditures, leaving about \$3,000,000 per year available to  
18 fund competitive grants for land acquisition. Given the  
19 \$5,100,000 annual cap on conveyance tax revenue paid into the  
20 land conservation fund, and the high demand and importance for  
21 acquisition of land having value as a resource to the State, the



1 annual transfer from the land conservation fund into the Turtle  
2 Bay conservation easement special fund should be reduced by  
3 approximately fifty per cent. This will increase available  
4 funding for competitive grant awards for land acquisition, aimed  
5 at ensuring greater protection of lands and resources for  
6 current and future generations; growing a more sustainable and  
7 resilient future; and maintaining sufficient open space and  
8 breathing room for residents and visitors, all of which serve  
9 the best interests of the people of Hawaii. The increased  
10 available funding for the acquisition of resource value lands  
11 will also strengthen the State's portfolio of high-value,  
12 long-term investments in protecting natural capital. The  
13 returns on these investments will accelerate community efforts  
14 to strengthen resilience, promote health and wellness, and  
15 continue building and operating new models of economic  
16 opportunity.

17 The purpose of this Act is to help ensure adequate future  
18 funding for the land conservation fund and the legacy land  
19 conservation program by reducing the land conservation fund's  
20 annual obligation for the Turtle Bay bonds by approximately  
21 one-half.



1 SECTION 2. Section 173A-13, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3 "(a) The board shall be responsible for the reimbursement  
4 of debt service on the Turtle Bay reimbursable general  
5 obligation bonds from the land conservation fund in the total  
6 amount of ~~[\$1,500,000]~~ \$24,018,910. Beginning July 1, 2026, the  
7 amount of this reimbursement shall be \$751,891 per fiscal year  
8 until the bonds are fully amortized."

9 SECTION 3. This Act does not affect rights and duties that  
10 matured, penalties that were incurred, and proceedings that were  
11 begun before its effective date.

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, 2026.

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INTRODUCED BY:



# S.B. NO. 2013

**Report Title:**

Turtle Bay Reimbursable General Obligation Bonds; Reimbursement

**Description:**

Reduces reimbursement of debt service on the Turtle Bay reimbursable general obligation bonds from the land conservation fund to approximately one-half of the total repayment amount and reduces, accordingly, the amount due per fiscal year for the remainder of the bond amortization schedule.

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