
A BILL FOR AN ACT

RELATING TO THE CONVEYANCE TAX.

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

1 SECTION 1. The legislature finds that dense shoreline
2 development, widespread shoreline armoring, and the landward
3 migration of the shoreline due to sea level rise have together
4 accelerated chronic beach loss, undermined public recreation and
5 cultural practices, and increased the exposure of coastal
6 communities and public facilities to flooding and other coastal
7 hazards.

8 The legislature further finds that these impacts are
9 acutely important for public shoreline access along beaches
10 adjoining county beach parks, where shoreline armoring,
11 nonconforming structures, and other private improvements can
12 narrow or eliminate the sandy beach fronting public parks and
13 impede public access, recreation, and traditional and customary
14 practices.

15 The legislature finds that existing fiscal policy and
16 regulatory tools are insufficient to address situations in which
17 private shoreline properties, through armoring, placement of



1 structures, or other actions, effectively sacrifice beaches and
2 frustrate the State's coastal zone management objectives and
3 public trust responsibilities.

4 The legislature further finds that the State currently
5 lacks adequate dedicated funding to plan, implement, and
6 maintain beach restoration and related coastal resilience
7 projects at the scale necessary to address ongoing and projected
8 beach loss and associated impacts to public trust resources,
9 public access, and coastal communities.

10 The purpose of this Act is to direct conveyance tax
11 revenues to support beach restoration, dune and coastal habitat
12 enhancement, and other eligible beach and shoreline management
13 projects that advance the State's coastal zone management
14 objectives and public trust responsibilities.

15 SECTION 2. Section 171-154, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "[+]§171-154[+] **Authority to lease coastal lands.** The
18 board, subject to this chapter, may lease public coastal lands
19 under the board's jurisdiction for the purpose of generating
20 revenues to be deposited into the beach preservation and
21 restoration [+]special[+] fund. Any terms and conditions



1 imposed by the board on the lessee shall run with the land and
2 shall be binding on the lessee's heirs, successors, and assigns.
3 The board may seek enforcement of such terms and conditions in
4 any court of appropriate jurisdiction."

5 SECTION 3. Section 171-155, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "[+]§171-155[+] **Development of public coastal lands.** On
8 the lands subject to this part, the board may undertake
9 appropriate development to generate revenues for beach
10 restoration which is consistent with this chapter and chapters
11 183C and 205A and other applicable laws. These revenues shall
12 be deposited in the beach preservation and restoration
13 [+]special[+] fund. For purposes of this section, "development"
14 includes:

- 15 (1) Any building or mining operation;
- 16 (2) Any material change in use, intensity of use, or
17 appearance of any structure or land, fast or
18 submerged; or
- 19 (3) The division of land into two or more parcels."

20 SECTION 4. Section 171-156, Hawaii Revised Statutes, is
21 amended to read as follows:



1 "§171-156 Beach preservation and restoration special
2 **fund.** (a) There is established in the state treasury a special
3 fund to be designated as the "beach preservation and restoration
4 special fund" to carry out the purposes of this part. The
5 following moneys shall be deposited into the beach preservation
6 and restoration special fund:

- 7 (1) Proceeds from the lease or development of public
8 coastal lands designated pursuant to a beach
9 restoration plan, subject to the Hawaiian Homes
10 Commission Act of 1920, as amended, and section 5(f)
11 of the Admission Act of 1959;
- 12 (2) Proceeds from the lease of public lands pursuant to
13 this part for an existing seawall or revetment;
- 14 (3) Fines collected for unauthorized shoreline structures
15 on state submerged land or conservation district land;
- 16 (4) Appropriations made by the legislature for deposit
17 into this fund;
- 18 (5) Donations and contributions made by private
19 individuals or organizations for deposit into this
20 fund;



1 (6) Fees collected for the processing of applications for
2 coastal and beach erosion control projects; and

3 (7) Grants provided by governmental agencies or any other
4 source.

5 (b) The beach preservation and restoration special fund
6 may be used by the department for one or more of the following
7 purposes:

8 (1) Planning, designing, development, or implementation of
9 beach restoration projects pursuant to this part;
10 [~~and~~]

11 (2) Providing grants to the counties, nongovernmental
12 organizations, and the [~~University~~] university of
13 Hawaii for the restoration of beach lands and for
14 research or engineering studies necessary to support
15 beach restoration projects, subject to this part.

16 (c) There is established a special subaccount of the beach
17 preservation and restoration fund into which shall be deposited
18 moneys derived from the conveyance tax pursuant to section 247-7
19 with respect to any transfer or conveyance of real property, or
20 any interest therein, that is located in whole or in part within
21 the sea level rise exposure area, as designated by the Hawaii



1 climate change mitigation and adaptation commission or its
2 successor. The special subaccount may only be used by the
3 department to acquire property."

4 SECTION 5. Section 247-7, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "**§247-7 Disposition of taxes.** All taxes collected under
7 this chapter shall be paid into the state treasury to the credit
8 of the general fund of the State, to be used and expended for
9 the purposes for which the general fund was created and exists
10 by law; provided that of the taxes collected each fiscal year:

11 (1) Ten per cent or \$5,100,000, whichever is less, shall
12 be paid into the land conservation fund established
13 pursuant to section 173A-5; ~~and~~

14 (2) Fifty per cent or \$38,000,000, whichever is less,
15 shall be paid into the rental housing revolving fund
16 established by section 201H-202 ~~[]~~; and

17 (3) All revenues derived from any transfer or conveyance
18 of real property, or any interest therein, that is
19 located in whole or in part within the sea level rise
20 exposure area, as designated by the Hawaii climate
21 change mitigation and adaptation commission or its



1 successor, shall be paid into the special subaccount
2 of the beach preservation and restoration special fund
3 established by section 171-156."

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

6 SECTION 5. This Act shall take effect on July 1, 2050.



Report Title:

Natural Resource Protection; Coastal Zone Management; Conveyance Tax; Beach Preservation and Restoration Special Fund; Special Subaccount; Property Acquisition

Description:

Renames the Beach Restoration Special Fund as the Beach Preservation and Restoration Fund. Establishes the Special Subaccount of the Special Fund. Requires that all conveyance tax revenues collected from the conveyance or transfer of real property located in whole or in part in a sea level rise exposure area be deposited into the special subaccount of the Special Fund. Allows funds in the special subaccount of the Special Fund to be used to acquire property. Effective 7/1/2050. (SD1)

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