
A BILL FOR AN ACT

RELATING TO THE KAHO'OLAWE ISLAND RESERVE.

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

1 SECTION 1. The Kaho'olawe island reserve commission is
2 funded predominantly by a trust fund created in 1994 during the
3 federal unexploded ordnance cleanup of Kaho'olawe. Though
4 considerable, federal appropriations totaling approximately
5 \$44,000,000 are now dwindling and have not established a
6 sustainable endowment for the long-term restoration of
7 Kaho'olawe.

8 As stated in the federally mandated Kaho'olawe Island
9 Conveyance Commission final report to Congress in 1993, "in the
10 short term, federal funds will provide the bulk of the program
11 support for specific soil conservation projects and related
12 activities. In the longer term, however, state revenues will be
13 needed to continue and enhance those activities initiated with
14 federal funds." For the past twenty years, federal funding has
15 allowed the Kaho'olawe island reserve commission to establish
16 many innovative programs that emphasize ancestral and
17 traditional knowledge, utilize a cultural approach of respect



1 and connectivity to the environment, and integrate ancient and
2 modern resource management techniques.

3 In 2004, the management and control of the Kaho'olawe island
4 reserve was transferred from the United States Navy to the State
5 of Hawaii, with the Kaho'olawe island reserve commission as the
6 state agency designated to oversee the use and restoration of
7 the reserve. In the past ten years, the Kaho'olawe island
8 reserve commission has developed innovative restoration projects
9 that work in the extremely harsh conditions of Kaho'olawe and
10 will serve as a foundation for the future restoration of the
11 island.

12 A 2013 state audit of the Kaho'olawe rehabilitation trust
13 fund reported two key findings:

- 14 (1) The trust fund will be depleted by 2016; and
15 (2) The Kaho'olawe island reserve commission lacks a
16 comprehensive and quantifiable restoration plan with
17 performance measures to gauge whether objectives are
18 being met.

19 Also in 2013, the Kaho'olawe island reserve commission
20 embarked on the development of a 2026 strategic plan for
21 Kaho'olawe, thus marking fifty years of occupation of Kaho'olawe



1 by the people of Hawaii. This strategic plan will address the
2 future restoration, management, and uses of Kaho'olawe for the
3 State, the people of Hawaii, and, possibly, a future sovereign
4 Native Hawaiian entity. Pursuant to section 6K-9, Hawaii
5 Revised Statutes, the management and control of the Kaho'olawe
6 island reserve shall be transferred to the sovereign native
7 Hawaiian entity upon its recognition by the state and federal
8 governments, which is anticipated to occur within the timeframe
9 of the 2026 strategic plan.

10 The purpose of this Act is to utilize a portion of the
11 state conveyance tax revenues to replenish the Kaho'olawe
12 rehabilitation trust fund to be used for the long-term
13 rehabilitation and maintenance of the Kaho'olawe island reserve.

14 SECTION 2. Section 6K-9.5, Hawaii Revised Statutes, is
15 amended by amending subsection (a) to read as follows:

16 "(a) There is created in the state treasury a trust fund
17 to be designated as the Kaho'olawe rehabilitation trust fund to
18 be administered by the department with the prior approval of the
19 commission. Subject to Public Law 103-139, and this chapter:

20 (1) All moneys received from the federal government for
21 the rehabilitation and environmental restoration of



1 the island of Kaho'olawe or other purposes consistent
2 with this chapter;

3 (2) Conveyance tax revenues pursuant to section 247-7;

4 [~~(2)~~] (3) Any moneys appropriated by the legislature to the
5 trust fund;

6 [~~(3)~~] (4) Any moneys received from grants, donations, or
7 the proceeds from contributions; and

8 [~~(4)~~] (5) The interest or return on investments earned from
9 moneys in the trust fund,

10 shall be deposited in the trust fund and shall be used to
11 fulfill the purposes of this chapter."

12 SECTION 3. Section 247-7, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "**§247-7 Disposition of taxes.** All taxes collected under
15 this chapter shall be paid into the state treasury to the credit
16 of the general fund of the State, to be used and expended for
17 the purposes for which the general fund was created and exists
18 by law; provided that of the taxes collected each fiscal year:

19 (1) Ten per cent shall be paid into the land conservation
20 fund established pursuant to section 173A-5;

21 (2) Twenty-five per cent from July 1, 2009, until June 30,
22 2012, and thirty per cent in each fiscal year



1 thereafter shall be paid into the rental housing trust
2 fund established by section 201H-202; [~~and~~]

3 (3) Twenty per cent from July 1, 2009, until June 30,
4 2012, and twenty-five per cent in each fiscal year
5 thereafter shall be paid into the natural area reserve
6 fund established by section 195-9; provided that the
7 funds paid into the natural area reserve fund shall be
8 annually disbursed by the department of land and
9 natural resources in the following priority:

10 (A) To natural area partnerships and forest
11 stewardship programs after joint consultation
12 with the forest stewardship committee and the
13 natural area reserves system commission;

14 (B) Projects undertaken in accordance with watershed
15 management plans pursuant to section 171-58 or
16 watershed management plans negotiated with
17 private landowners, and management of the natural
18 area reserves system pursuant to section 195-3;
19 and

20 (C) The youth conservation corps established under
21 chapter 193[-]; and



1 (4) per cent shall be deposited into the Kaho'olawe
2 rehabilitation trust fund established by section 6K-
3 9.5; provided that no more than \$ per fiscal
4 year shall be deposited into the Kaho'olawe
5 rehabilitation trust fund established under section
6 6K-9.5."

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

9 SECTION 5. This Act shall take effect on July 1, 2030;
10 provided that:

11 (1) This Act shall be repealed on June 30, 2026, or upon
12 the recognition of the sovereign native Hawaiian
13 entity by the State of Hawaii and the United States,
14 whichever occurs sooner; and

15 (2) Sections 6K-9.5(a) and 247-7, Hawaii Revised Statutes,
16 shall be reenacted in the form in which they read on
17 the day prior to the effective date of this Act.



Report Title:

Kaho'olawe Rehabilitation Trust Fund; Conveyance Tax; Annual Payments

Description:

Deposits a percentage of conveyance tax revenue annually into the Kaho'olawe rehabilitation trust fund, with a maximum amount. Repealed on June 26, 2026, or upon the recognition of a sovereign native Hawaiian governing entity, whichever occurs sooner. Effective July 1, 2030. (HB2101 HD1)

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