

STAND. COM. REP. NO. 1272
Honolulu, Hawaii

RE: H.B. No. 589
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii
Sir:

Your Committee on Water and Land, to which was referred H.B. No. 589, H.D. 2, entitled:
"A BILL FOR AN ACT RELATING TO THE LAND CONSERVATION FUND,"

begs leave to report as follows:

The purpose and intent of this measure is to require the Department of Land and Natural Resources to implement certain recommendations made by the Office of the Auditor in Auditor's Report No. 19-01, *Audit of the Department of Land and Natural Resources' Land Conservation Fund*.

Your Committee received testimony in support of this measure from the Office of the Auditor and one individual. Your Committee received comments on this measure from the Department of Land and Natural Resources and The Trust for Public Land.

Your Committee finds that the land conservation fund was established for the express purpose of acquiring land having resource value to the State. The land conservation fund and the associated legacy land conservation program are administered by the Department of Land and Natural Resources, which delegated that responsibility to the Division of Forestry and Wildlife. The Auditor found that the program missed fiscal deadlines, causing funding to lapse; the Department mistakenly paid a total of nearly \$685,000 for state central service fees; and the land conservation fund was used to pay the salary of an employee who is doing work unrelated to the legacy land conservation program. In addition, the program has not tracked and fully reported required information to the Legislature on the balances of land conservation fund monies transferred to the trust account. This measure implements safeguards to ensure that the land conservation fund and legacy land conservation program are properly managed and administered.

Your Committee has amended this measure by:

- (1) Clarifying the legislative findings in section 1 to accurately reflect Auditor's Report No. 19-01;
- (2) Extending the deadline for the completion of the Resource Land Acquisition Plan from January 1, 2020, to June 30, 2021;
- (3) Extending the deadline for implementation of the Auditor's recommendations from January 1, 2020, to June 30, 2021;
- (4) Requiring the Department of Land and Natural Resources to report on its progress as part of the annual report to the Governor and Legislature required pursuant to chapter 173A, Hawaii revised Statutes, rather than reporting to the Auditor and Legislature; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 589, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 589, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Water and Land,

KAIALI'I KAHELE, Chair