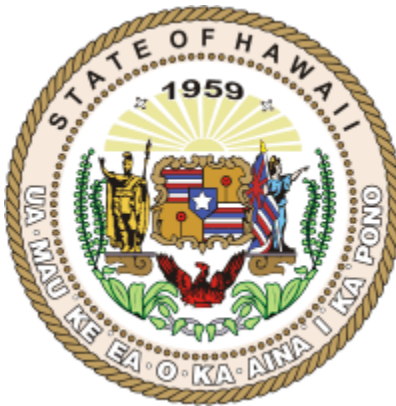


REPORT TO THE TWENTY-SIXTH LEGISLATURE

REGULAR SESSION OF 2012

ACCOUNTING OF ALL RECEIPTS FROM LANDS DESCRIBED IN SECTION 5(f) OF THE ADMISSION ACT FOR  
FISCAL YEAR 2010-2011



Prepared by

THE STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES

In response to Section 5 of Act 178, Session Laws of Hawaii 2006

Honolulu, Hawaii

November 2011

ACCOUNTING OF ALL RECEIPTS FROM LANDS DESCRIBED IN SECTION 5(f) OF THE ADMISSION ACT FOR  
FISCAL YEAR 2010-2011

EXECUTIVE SUMMARY

Pursuant to Section 5 of Act 178, Session Laws of Hawaii (SLH) 2006, this report provides an accounting of all receipts from lands described in Section 5(f) of the Admission Act ("ceded lands").

For this fiscal year (FY), 13 agencies submitted their reports, compared with 16 for the last FY (2009-2010). Four agencies that submitted reports in FY 2010 did not submit reports this year. Those agencies are Agricultural Resources Management, Natural Energy of Hawaii Laboratory of Hawaii Authority, Department of Education and Department of Transportation-Airports. The Hawaii Housing Finance and Development Corporation did not submit a report for FY 2010 but did submit a report for the current FY 2011 report. A preliminary review of the agency reports submitted shows that compared to last year's report, the total amount of agency transfers to the Office of Hawaiian Affairs (OHA) increased approximately 12% from \$10.55 million in FY 2010 to an estimated \$11.84 million in FY 2011.

All amounts transferred to OHA as reported by the participating agencies were reconciled against the amounts of transfers on file with the Department of Budget and Finance (B&F). According to B&F records, the total amount transferred to OHA by state agencies equaled approximately \$12.37 million.

Pursuant to Governor's Executive Order 06-06, any deficit between OHA's guaranteed quarterly payments of \$3.775 million and the actual revenues paid to OHA is offset by transfers from a holding account established expressly for that purpose. In FY 2011, the contribution from this holding account was \$2.73 million, an approximately 39% decrease from an all time high contribution of \$4.5 million in FY 2010.

The Department of Land and Natural Resources (DLNR) notes that OHA has offered assistance to achieve the goal of consistent and comprehensive reporting by agencies on an annual basis. DLNR acknowledges and appreciates OHA's offer of support.

## BACKGROUND

This report is prepared pursuant to Section 5 of Act 178, SLH 2006, which calls for DLNR to provide an accounting of all receipts from lands described in section 5(f) of the Admission Act, for the prior FY.

Section 5 of Act 178, SLH 2006, states:

“Not later than January 1 of each year, the department of land and natural resources, with the cooperation of the department of budget and finance and any other state department or agency that uses or manages public lands, shall provide an accounting of all receipts from lands described in section 5(f) of the Admission Act for the prior fiscal year. With respect to each receipt, the department of land and natural resources shall identify:

- (1) The total gross amount;
- (2) The amount transferred to OHA;
- (3) The amount retained by the State;
- (4) The account or fund in which the amount specified in paragraph (3) was transferred or deposited;
- (5) The parcel of land subject to section 5(f) of the Admission Act that generated the receipt, whether by tax map key number, department of land and natural resources inventory number, or other recognizable description; and
- (6) The state department or agency that received the total gross amount identified in paragraph (1).

The accounting shall also indicate whether any parcel of land described in section 5(f) of the Admission Act was sold or exchanged in the prior fiscal year and, if so, the amount of consideration that the State received for the respective parcels.”

## METHODOLOGY

As in previous years, agencies submitted their data to DLNR on a standardized spreadsheet template laying out the required data elements.

The following procedures were performed in order to compile the data from these reports:

Agency reports were checked for completeness – total gross amount, amount transferred to OHA, amount retained by the State, etc.

If a report was not received or incomplete or if the totals transferred did not agree with those on file with B&F, DLNR staff contacted the agency representative for clarification, correction or resubmission of the report.

At OHA's request, DLNR also compiled a table identifying parcels that were sold or exchanged during this reporting period. (These transactions are already included and identified in the agency revenue reports, but are separately reported for convenience.)

The total amounts transferred to OHA reported by the agencies were reconciled with the transfers on file at B&F.

Data was compiled and summarized on the attached Attachment 1, "Summary of Receipts from Lands Described in Section 5(f) of the Admission Act by Department for FY 2010-2011" Responsibility for the accuracy of the data rests with the agencies. Verifying the accuracy of individual transactions and confirming the trust land status for individual parcels are beyond the scope of the tasks prescribed in Act 178, SLH 2006. The following agencies submitted revenue reports for FY 2011:

Accounting and General Services (DAGS)

Automotive Management and Parking Control

Agriculture (DOA)

Agribusiness Development Corporation (ADC)

Business, Economic Development, and Tourism (DBEDT)

Foreign Trade Zone (FTZ)

Hawaii Community Development Authority (HCDA)

Hawaii Housing Finance and Development Corporation (HHFDC)

Defense (DOD)

Land and Natural Resources (DLNR)

Boating and Ocean Recreation (DOBOR)

Forestry and Wildlife (DOFAW)

Land Division (LD)

State Parks (SP)

Transportation (DOT)

Harbors Division (HAR)

Highways Division (HWY)

University of Hawaii (UH)

The following agencies did not submit revenue reports for FY 2011:

Agriculture (DOA)

Agricultural Resource Management (ARM)

Business, Economic Development and Tourism (DBEDT)

Natural Energy Laboratory of Hawaii Authority (NELHA)

Education (DOE)

Health (DOH)

Hawaii Health Systems Corporation (HHSC)

Human Services (DHS)

Hawaii Public Housing Authority (HPHA)

Transportation

Airports Division (DOTA)