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# A BILL FOR AN ACT

RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED.

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

1 SECTION 1. Section 213 of the Hawaiian Homes Commission  
2 Act, 1920, as amended, is amended by amending subsection (i) to  
3 read as follows:

4 "(i) Native Hawaiian rehabilitation fund. Pursuant to  
5 Article XII, Section 1, of the State Constitution, thirty  
6 percent of the state receipts, derived from lands previously  
7 cultivated as sugarcane lands under any other provision of law  
8 and from water licenses, shall be deposited into this fund. The  
9 department shall use this money [~~solely~~] for the rehabilitation  
10 of native Hawaiians, native Hawaiian families, and Hawaiian  
11 homestead communities, which shall include [~~but not be limited~~  
12 ~~to~~] the educational, economic, political, social, and cultural  
13 processes by which the general welfare and conditions of native  
14 Hawaiians are thereby improved and perpetuated.

15 The native Hawaiian rehabilitation fund shall be subject to  
16 the following conditions:



- 1 (1) All moneys received by the fund shall be deposited
- 2 into the state treasury and kept separate and apart
- 3 from all other moneys in the state treasury;
- 4 (2) The director of finance shall serve as a custodian of
- 5 the fund. All payments from the fund shall be made by
- 6 the director of finance only upon vouchers approved by
- 7 the commission;
- 8 (3) The commission shall develop guidelines for the
- 9 investment of moneys in the fund;
- 10 (4) The commission may invest and reinvest in investments
- 11 authorized by chapter 88[-], Hawaii Revised Statutes.
- 12 The commission may hold, purchase, sell, assign,
- 13 transfer, or dispose of any securities and investments
- 14 in which any of the moneys shall have been invested,
- 15 as well as the proceeds of such investments; and
- 16 (5) The commission may pay out of any of the moneys held
- 17 for investment, a reasonable amount to any person for
- 18 supplying investment advisory or consultive services;
- 19 and to meet such other costs incident to the prudent
- 20 investment of moneys as the commission may approve.



1 Any payment of principal, interest, or other earnings  
2 arising out of the loan or investment of money from this fund  
3 shall be credited to and deposited into this fund.

4 Sections 214, 215, 216, and 217 shall not apply to  
5 administration of this fund. The department is authorized to  
6 adopt rules under chapter 91, Hawaii Revised Statutes, necessary  
7 to administer and carry out the purposes of this fund."

8 SECTION 2. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10 SECTION 3. This Act shall take effect upon its approval.

APPROVED BY THE  
GOVERNOR ON

MAY 31 2002



STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS  
P.O. BOX 1879  
HONOLULU, HAWAII 96805

TESTIMONY ON S.B. 2750, S.D.1, H.D. 1  
RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED  
BEFORE THE HOUSE COMMITTEE ON FINANCE

March 28, 2002

Chair Takamine and Members of the Committee:

This is the companion to H.B. 2492 that was heard previously by the Committee. The purpose of this Administration bill is to broaden the use of the Native Hawaiian Rehabilitation Fund (NHRF) to allow the provision of NHRF-supported programs and services to be extended to native Hawaiian families, Hawaiian homestead communities, and other organizations controlled by native Hawaiians.

Section 213(i) provides that the NHRF shall be used "...solely for the rehabilitation of native Hawaiians, which shall include the educational, economic, political, social, and cultural processes by which the general welfare and conditions of native Hawaiians are thereby improved and perpetuated." (emphasis added) This restrictive language can be interpreted to limit NHRF benefits only to individual native Hawaiians to the exclusion of native Hawaiians groups such as families and homestead communities. This limitation often causes difficulty in using this fund for specific purposes that may support the intent of NHRF.

There are many situations where the intent remains to improve and perpetuate the conditions of native Hawaiians, but the processes or means to achieve that end may involve others. For example, projects that improve the land or resources within a homestead community benefit the native Hawaiian residents of that community. However, they also benefit other community members.

In response to questions that have been expressed regarding the meaning of the term "other organizations controlled by native Hawaiians," the bill has been amended to delete this language. We do not believe this amendment detracts from the purpose of the bill, and will, in fact, bring clarity to the specific wording.

The amendments proposed in S.B. 2750, S.D.1, H.D. 1 will afford DHHL greater flexibility in extending NHRF-supported services to native Hawaiians, native Hawaiian families, and homestead communities.

We request your support of this Administration bill in its amended form.