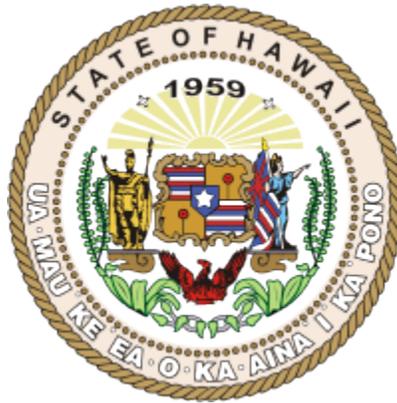


Report to the Twenty-Seventh Legislature

Regular Session of 2013

ACCOUNTING OF ALL RECEIPTS FROM LANDS DESCRIBED IN SECTION 5(f) OF THE ADMISSION
ACT FOR FISCAL YEAR 2011-2012



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 2012

ACCOUNTING OF ALL RECEIPTS FROM LANDS DESCRIBED IN SECTION 5(f) OF THE ADMISSION
ACT FOR FISCAL YEAR 2011-2012

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").

All nineteen (19) agencies that were expected to submit reports for Fiscal Year (FY) 2012 did so in a timely manner, as compared to thirteen (13) from FY 2011. All amounts reported as transferred to the Office of Hawaiian Affairs (OHA) by the participating agencies were reconciled against the amounts of transfers on file with the Department of Budget and Finance (B&F). Any discrepancies were explained in the respective agencies' reports.

According to B&F records, the total amount of agency transfers OHA increased from approximately \$12.37 million in FY 2011 to \$14.52 million in FY 2012 ¹.

In FY 2012, the amount of receipts for the Fourth Quarter exceeded the guaranteed quarterly payment of \$3.775 million. As a result, a total of \$1,367,889.54 was transferred to the carry-forward trust holding account established by the Director of Finance, B&F. Pursuant to Governor's Executive Order 06-06, if the total amount of receipts transferred to OHA exceeds the guaranteed quarterly payment of \$3.775 million, B&F must notify OHA and request that OHA deposit the overpayment by journal voucher into the aforesaid carry-forward trust holding account that the Director of Finance establishes for that purpose.

¹ DLNR Land Division's contribution into the General Fund Receipts Trust Holding Account in FY 2012 was \$4,065,404.04, of which \$1,118,505.54 was transferred to OHA to cover the deficit between OHA's guaranteed quarterly payments and the actual revenues paid to OHA by agencies in Quarters 1, 2, and 3 of FY 2012.

BACKGROUND

This report is prepared pursuant to Section 5 of Act 178, SLH 2006, which calls for the Department of Land and Natural Resources (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 FY 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. All amounts reported as transferred to OHA by the participating agencies were reconciled against the amounts of transfers on file with the B&F. Explanations for any transfer discrepancies were noted on the agencies' reports.

DLNR also compiled a table identifying parcels that were sold or exchanged during this reporting period.

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 2011-2012."

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 2012:

- Accounting and General Services (DAGS)
 - Automotive Management and Parking Control
- Agriculture (DOA)
 - Agribusiness Development Corporation (ADC)
 - Agricultural Resource Management (ARM)
- Business, Economic Development, and Tourism (DBEDT)
 - Foreign Trade Zone (FTZ)
 - Hawaii Community Development Authority (HCDA)
 - Hawaii Housing Finance and Development Corporation (HHFDC)
 - Natural Energy Laboratory of Hawaii Authority (NELHA)
- Defense (DOD)
- Education (DOE)

- Health (DOH)
 - Hawaii Health Systems Corporation (HHSC)
- Human Services (DHS)
 - Hawaii Public Housing Authority (HPHA)
- Land and Natural Resources (DLNR)
 - Boating and Ocean Recreation (DOBOR)
 - Forestry and Wildlife (DOFAW)
 - Land Division (LD)
 - State Parks (SP)
- Transportation (DOT)
 - Airports Division (DOTA)
 - Harbors Division (HAR)
 - Highways Division (HWY)
- University of Hawaii (UH)