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HB 3109-82 RELATING TO THE ENVIRONMENT

Statement for
House Committee on Finance
Public Hearing - 11 March 1982

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HB 3109 would, if passed, establish a new law entitled "Hawaii Environmental Disclosure Law." This statement on this bill has been submitted for review to the Legislative Subcommittee of the Environmental Center of the University of Hawaii but does not reflect an institutional position of the University.

The Environmental Disclosure Law proposed in HB 3109 would require disclosures, not of environmental features or impacts, but of ownership of shares in a "publicly owned Hawaii corporations" and of past compliance with environmental requirements. The purpose expressed in the bill for the proposed requirement is to inform the public "of anticipated changes in the use of agricultural lands resulting from changes in the ownership" of the corporations.

There is appropriate concern with the extent to which once agricultural lands have been urbanized. However, even when it is a Hawaiian corporation that seeks to convert agricultural land to urban use, it is generally changes in economic conditions that induce the corporation to seek the conversion, and changes in the ownership of the corporation are not necessarily involved. We note that the disclosure requirement would not be restricted to the ownership of Hawaiian corporations owning agricultural land, and that it would not be applied to non-Hawaiian corporations owning agricultural land in Hawaii.

The disclosure requirement would apply to any entity owning 10 percent or more of a corporation that wishes to acquire an additional 5 percent or more within any year. It would have to include, in addition to detailed financial records, a complete history of all the entity's prior compliance with all applicable environmental laws and regulations and of judicial and administrative proceedings involving environmental issues in which the entity was a party. Most of the material to be disclosed would have little bearing on the merits or demerits of conversion of agricultural land to urban use.

The disclosure would be to the Environmental Quality Commission whose abolition has been proposed in a bill now being considered in the legislature.

Hence this bill proposes a disclosure system that seems extremely burdensome, could probably not be effectively administered in the way proposed, and would probably have little effect in terms of its stated purpose. The title of the law it proposes is in any case misleading.