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HOUSE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO CONDUCT AN ANALYSIS OF INCENTIVES TO PROMOTE LANDOWNER PROTECTION OF IMPORTANT MAUKA LANDS.

WHEREAS, preserving and protecting our natural environment and resources is critical to ensure a promising future for our residents, especially our children; and

WHEREAS, in Hawaii, the United States, and worldwide, natural resources are being lost at an unprecedented rate; and

WHEREAS, human activity is driving the world's habitats and species to extinction, including the very plants, animals, and natural systems that control the processes we depend upon, such as the carbon cycle, pollination, and our fresh water supply; and

WHEREAS, mauka land areas in Hawaii, including intact forests, open woodlands, and pasture lands, help to control flooding, hold soil in place, stabilize the climate by absorbing atmospheric carbon, and soak up water like a sponge, gradually meting it out to provide a steady, year-round supply of pure, fresh water; and

WHEREAS, these mauka lands provide scenic beauty for residents and visitors, and many of the forests and woodland areas are the last refuge for many of Hawaii's rare and endangered plants and animals, many of which exist nowhere else on earth; and

WHEREAS, these ecosystem services are provided to the public essentially for free as a natural occurrence; and

WHEREAS, other lands in Hawaii, such as beachfront property and agricultural lands, are easily valued by their resale and production values; and

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WHEREAS, Hawaii's mauka lands and the goods and services they provide are not easily traded either domestically or internationally, hence there is no direct measure of their economic value; and

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WHEREAS, one obstacle to protection of Hawaii's mauka lands is the apparent failure to recognize that the benefits of protection and conservation accrue to a large public base, but the responsibility for much of the care and management falls predominantly on a small subset of the population that owns mauka lands; and

WHEREAS, although the ecosystem services provided by mauka lands are actually public necessities, a significant free-rider problem creates a disincentive for individual landowners to invest significantly in protection and preservation without a reasonable financial return, any governmental assistance, or incentive; and

WHEREAS, a significant portion of important mauka lands is restricted by state conservation land use limitations and, therefore, cannot generate a significant revenue stream for landowners who nevertheless are assessed real property taxes on these lands; and

WHEREAS, sound economic valuation should account for the opportunity cost of a diminished natural resource and, although these ecosystem services are essentially free, their elimination or degradation and replacement will come at a significant cost; and

WHEREAS, the replacement cost of the fresh water filtration system alone, including, for example, the cost of desalination plants and the capital costs of flood control, would be astronomically high; and

WHEREAS, environmental economists recently have shown that natural capital can be valued similarly to manufacturing equipment since both provide economic value; and



WHEREAS, for example, the 100,000 acres of forested watershed in the Koolau Mountains on the island of Oahu, including their amenities, such as ground water quantity, water quality, in-stream uses, species habitat, biodiversity, subsistence, hunting, aesthetics, commercial harvests, ecotourism, and climate control, have been valued at between \$7,400,000,000 and \$14,000,000,000; and

WHEREAS, enhanced groundwater recharge provided by Koolau forests accounts for over \$2,000,000,000 of these total costs; and

WHEREAS, we can begin to reform policy by thinking of the environment not as a "free good", but as a capital resource that will depreciate without appropriate care; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twenty-third Legislature of the State of Hawaii, Regular Session of 2006, the Senate concurring, that the Department of Land and Natural Resources (DLNR), in consultation with mauka landowners, other stakeholders, and persons with relevant scientific and economic expertise, is requested to conduct an analysis of local, national, and international incentives and other programs to promote landowner protection of important mauka lands and recognize the public benefits of the ecosystem services provided by those lands; and

BE IT FURTHER RESOLVED that DLNR is requested to submit an interim report of its work to the Legislature, no later than 20 days prior to the convening of the Regular Session of 2007, and a final report of its findings and recommendations, including any proposed legislation, to the Legislature no later than 20 days prior to the convening of the Regular Session of 2008; and

BE IT FURTHER RESOLVED that a certified copy of this Concurrent Resolution be transmitted to the Chairperson of the Board of Land and Natural Resources.