

Honolulu, Hawaii

FEB 17 2012

RE: S.B. No. 3013

S.D. 1

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committees on Water, Land, and Housing and Energy and Environment, to which was referred S.B. No. 3013 entitled:

"A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF LAND AND NATURAL RESOURCES,"

beg leave to report as follows:

The purpose and intent of this measure is to establish a carbon credits program in the Department of Land and Natural Resources and require the Department to adopt rules for the sale and transfer of carbon credits among public and private agencies to ensure land conservation and reduced carbon emission standards.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources. Your Committees received testimony in opposition to this measure from Life of the Land. Your Committees received comments on this measure from one individual.

Your Committees find that global warming has put Hawaii in a dangerous position that increases the State's dependence on fossil fuels and has been causing noticeable changes to our environment. Being a secluded island state, one of Hawaii's priorities should be to focus on promoting programs that reduce carbon emissions and protect our environment.

Your Committees further find that the buying and selling of carbon credits has gained success in Europe. Through this mechanism, businesses are incentivized to adopt environmentally



friendly measures that reduce carbon emissions. However, your Committees find that a Hawaii program based on this model should have a narrower focus on the State's immediate needs regarding forests and watersheds.

Accordingly, your Committees have deleted the contents of this measure and adopted the Department of Land and Natural Resources' (DLNR) suggested draft, which:

- (1) Adds a new purpose section to appropriately reflect the new language of the measure;
- (2) Requires DLNR to establish a forest carbon offsets program, which allows the creation of forest carbon offsets that can be transferred or sold among public and private agencies in the State to guarantee sustainable management of Hawaii's natural resources and reduce carbon emissions;
- (3) Requires DLNR to set standards, develop processes, and adopt rules to implement the forest carbon offsets program and ensure that the forest management activities performed pursuant to the program meet certain criteria; and
- (4) Requires the Board of Land and Natural Resources to establish processing fees for the identification of sustainable forest carbon offsets, to be deposited into the forest stewardship fund.

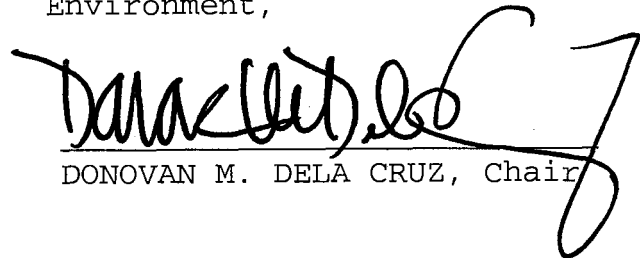
As affirmed by the records of votes of the members of your Committees on Water, Land, and Housing and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3013, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3013, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on  
behalf of the members of the  
Committees on Water, Land, and  
Housing and Energy and  
Environment,



MIKE GABBARD, Chair



DONOVAN M. DELA CRUZ, Chair



**Record of Votes**  
**Committee on Water, Land and Housing**  
**WLH**

\*Only one measure per Record of Votes

The Senate  
Twenty-Sixth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Energy and Environment**  
**ENE**

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 3013</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">WLH/ENE, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">14 Feb 2012</div>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312         </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311         </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310         </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313         </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	✓			
ENGLISH, J. Kalani (VC)	✓			
GREEN, M.D., Josh	✓			
IHARA, Jr., Les		✓		
SLOM, Sam			✓	
<b>TOTAL</b>	3	1	1	
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted         <input type="checkbox"/> Not Adopted         </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; margin-left: 50px;">J. Kalani English</div>				
<div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div>Distribution:</div> <div>Original</div> <div>Yellow</div> <div>Pink</div> <div>Goldenrod</div> </div> <div style="display: flex; justify-content: space-between; font-size: 0.8em; margin-top: 5px;"> <div>File with Committee Report</div> <div>Clerk's Office</div> <div>Drafting Agency</div> <div>Committee File Copy</div> </div>				

\*Only one measure per Record of Votes