

JAN 24 2019

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# A BILL FOR AN ACT

RELATING TO FOREST STEWARDSHIP.

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

1       SECTION 1.   Section 195F-1, Hawaii Revised Statutes, is  
2 amended to read as follows:

3       " ~~[+] §195F-1 [+] Findings and purpose.~~   The legislature  
4 finds that:

5       (1)   Much of the forest land in Hawaii is privately  
6           owned~~[+]~~ and managed;

7       (2)   The capacity to protect important watersheds and  
8           native Hawaiian plants and animals and to produce  
9           renewable forest resources is significantly dependent  
10          on these privately ~~owned~~ managed forest and formerly  
11          forested lands;

12       (3)   The factors essential to the quality of life in  
13           Hawaii, including our water and air quality, mild  
14           climate, and habitat available for plants and animals  
15           unique to these islands, can be maintained and  
16           improved through good stewardship of ~~[private]~~  
17          privately managed forest ~~[lands]~~;

1           (4) To accomplish these purposes, the present system of  
2           state and federal financial and technical assistance  
3           programs needs to be expanded to promote the long-term  
4           management of additional privately ~~owned~~ managed  
5           forest and formerly forested lands throughout the  
6           State; and

7           (5) A forest stewardship program should be established to  
8           supplement the natural area reserves system's programs  
9           under chapter 195 by encouraging ~~private~~ landowners  
10          of privately ~~owned~~ managed forest and formerly  
11          forested lands that cannot qualify as potential  
12          natural area reserves to make long-term commitments to  
13          protect, maintain, and restore important watersheds,  
14          ~~timber~~ forest resources, forest products, fish and  
15          wildlife habitats, isolated populations of rare and  
16          endangered plants, native vegetation, and other lands  
17          that provide significant public benefits.

18          The purpose of this chapter is to establish a program to  
19          financially assist landowners in managing, protecting, and  
20          restoring important natural resources in Hawaii's forested and  
21          formerly forested lands."

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SECTION 2. Section 195F-2, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

"Program implementation agreement" means a written forest stewardship management contract between the board and program applicant."

SECTION 3. Section 195F-3, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) There is established a forest stewardship program to be administered by the board to assist ~~[private landowners in managing, protecting, and restoring]~~ landowners of privately managed forest to manage, protect, and restore important watersheds, native vegetation, ~~[timber]~~ forest resources, forest products, fish and wildlife habitats, isolated populations of rare and endangered plants, and other lands that are not recognized as potential natural area reserves."

SECTION 4. Section 195F-5, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

"(a) To participate in the forest stewardship program, the applicant landowner shall prepare and submit ~~[to the board]~~ a forest stewardship management plan that shall:

(1) Identify and describe activities to be undertaken by the landowner to protect soil, water, aesthetic quality, recreation, ~~[timber,]~~ forest resources, forest products, water, fish, wildlife, and native plant resources on the land in a manner that is compatible with the objectives of the program, is consistent with this chapter, and qualifies under the board's list of approved activities;

(2) Be signed by all parties having an interest in or holding any encumbrance upon the property, and shall state that the parties agree to comply with the plan upon its approval; and

(3) Be approved by the board and available for public review.

(b) The board and other cooperating natural resource management agencies shall develop a list of approved management activities and practices that shall be eligible for cost-share assistance under the program in the following areas:

(1) Enhanced management and maintenance of vegetation on vital watershed lands;

(2) Sustainable growth and management of forests for timber and ~~[other]~~ forest products ~~[on lands from~~

1 ~~which all or most of the native vegetation had been~~  
2 ~~removed prior to January 1, 1991]~~;

3 (3) Management for non-native forest products; provided  
4 that the land was not previously cleared of native  
5 vegetation for the purpose of non-native forest  
6 production;

7 ~~[(3)]~~ (4) Protection, restoration, and enhancement of  
8 native plants and animals;

9 ~~[(4)]~~ (5) Management, maintenance, and restoration of  
10 forests for shelterbelts, windbreaks, aesthetic  
11 quality, and other conservation purposes ~~[on lands~~  
12 ~~from which all or most of the native vegetation had~~  
13 ~~been removed prior to January 1, 1991]~~;

14 ~~[(5)]~~ (6) Agroforestry management ~~[on lands from which all~~  
15 ~~or most of the native vegetation had been removed~~  
16 ~~prior to January 1, 1991]~~;

17 ~~[(6)]~~ (7) Management and maintenance of native fish and  
18 wildlife habitats;

19 ~~[(7)]~~ (8) Management of outdoor recreational opportunities;  
20 and

21 ~~[(8)]~~ (9) Other activities approved by the board, which are  
22 consistent with this chapter."

SECTION 5. Section 195F-6, Hawaii Revised Statutes, is amended as follows:

(1) By amending subsection (a) to read as follows:

"(a) Payments from the forest stewardship fund shall not exceed [fifty]:

(1) Seventy-five per cent of the total cost of the landowner in developing ~~[and implementing]~~ an approved management plan~~[-]~~; and

(2) Fifty per cent of the total cost of the landowner in implementing an approved management plan.

Total payments to any one landowner shall be determined by the board, and the reasonable value of material, goods, and services contributed toward the management plan by the landowner shall be included in determining the amount of the landowner's cost. The landowner shall be required to spend private funds before reimbursements are made. In-kind services such as heavy equipment and existing sources of labor may be utilized as a portion of the landowner's contribution in implementing the management plan that is consistent with this chapter."

(2) By amending subsections (c), (d), and (e) to read as follows:

"(c) To receive funds under the forest stewardship program, an applicant shall:

- (1) Be a landowner of [~~private~~] privately managed forest that is not managed under existing federal, state, or private sector financial and technical assistance programs and that is not recognized as a potential natural area reserve. [~~Private forest lands managed~~] Privately managed forest under existing federal, state, or private sector financial and technical assistance programs may be eligible for assistance under this program if the landowner agrees to comply with the requirements of the program or if forest management activities are expanded or enhanced to meet the requirements of this chapter;
- (2) Prepare and submit a forest stewardship management plan as set forth in section 195F-5; and
- (3) Enter into [~~an~~] a program implementation agreement with the board [~~to do the following:~~], upon approval of the forest stewardship management plan by the board. Upon approval of the program implementation agreement by the board, the applicant shall:

(A) Undertake and maintain the approved activities under the management plan for not fewer than ten years, unless the board approves modifications in the plan;

(B) Complete all approved activities under the management plan within the timetable agreed upon by the board and the landowner consistent with the intent of this chapter;

(C) Submit an annual progress report to be reviewed by the board for each year in which the landowner receives support under the program. This report shall detail accomplishments, areas requiring technical advice, and any proposed modifications of the management plan; and

(D) Other conditions deemed necessary by the board to implement the purposes of this chapter.

(d) The board shall review the annual progress report and shall determine whether the landowner has met the objectives of the management plan. To facilitate the review, the department shall have the right to make inspections of the forest land after prior landowner notification. The board may approve



1 alteration of the management plan to adapt to current  
2 conditions. Amendments to the management plan shall be  
3 available for public review.

4 (e) The board shall submit annually a detailed report to  
5 the governor and legislature that shall:

- 6 (1) Identify management objectives that have been  
7 completed on [~~private lands~~] privately managed forest  
8 lands resulting from payments made pursuant to section  
9 195F-4(a)(1) and provide an analysis of problems and  
10 issues encountered in meeting or failing to meet  
11 objectives as set forth in the management plans;
- 12 (2) Identify all reforestation, forest management,  
13 education, and training objectives that have been  
14 completed as a result of any expenditures made  
15 pursuant to section 195F-4(a)(2);
- 16 (3) Describe the financial condition of the fund,  
17 including receipts and expenditures from the previous  
18 fiscal year; and
- 19 (4) Set forth plans and management objectives for the next  
20 fiscal year."

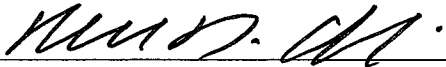
21 SECTION 6. Statutory material to be repealed is bracketed  
22 and stricken. New statutory material is underscored.

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1 SECTION 7. This Act shall take effect upon its approval.

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INTRODUCED BY: 

4

BY REQUEST

**Report Title:**

Forest Stewardship Program

**Description:**

Clarifies conditions that must be met by applicants to receive funds under the Forest Stewardship Program.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

## JUSTIFICATION SHEET

DEPARTMENT: Land and Natural Resources

TITLE: A BILL FOR AN ACT RELATING TO FOREST STEWARDSHIP.

PURPOSE: To clarify conditions that must be met by applicants to receive funds under the Forest Stewardship Program.

MEANS: Amend sections 195F-1, 195F-2, 195F-3(a), 195F-5(a) and (b), and 195F-6(a) and (c)-(e), Hawaii Revised Statutes.

JUSTIFICATION: The Forest Stewardship Program (Program) provides technical and financial assistance to private landowners or long-term leaseholders of forests in managing, protecting, and restoring important natural resources in Hawaii's forested and formerly forested lands. Sixty-six per cent of Hawaii's forested areas are privately managed. The Program enables participants to responsibly manage important forest resources that provide vital public and private socioeconomic and environmental benefits.

With the withdrawal of much of Hawaii's agricultural industries, including sugar and pineapple, the Program encourages the restoration, forest production, and conservation of degraded agricultural areas with native forest ecosystems. The Program also serves to stimulate investment in forestry as an economically viable land-use alternative that supplies Hawaii's rural communities with a source of revenue, provides locally grown products and energy to reduce Hawaii's dependence on imported goods, and contributes environmental benefits, such as clean water and habitat for Hawaii's native wildlife. Additionally, support of native forest production within eligible state land use districts incentivizes private landowners and land

managers to maintain and restore native forests instead of clearing them for other uses.

The Program allows landowners to access natural resource experts that help program participants responsibly and sustainably manage forest resources. This interaction with experts transfers knowledge and improves the management of privately managed forest lands, which benefits the public by increasing freshwater resources, providing habitat for native wildlife, reducing soil erosion and sedimentation on to coral reefs, identifying and controlling invasive species, and creating smart sustainable communities. The Program especially reduces the financial barrier for landowners and land managers to access natural resource experts.

Specifically, the bill seeks to accomplish the following:

- (1) Increase the reimbursement rate for the development of forest stewardship management plans from fifty per cent to seventy-five per cent reducing the financial barrier for private landowners and land managers to participate in the Program and access natural resource experts;
- (2) Clarify that program applicants must enter into a program implementation agreement with the Board of Land and Natural Resources upon approval of the forest stewardship management plan to receive program funding;
- (3) Clarify that long-term leaseholders are eligible to participate in the Program;
- (4) Clarify that production of other forest products in addition to timber are a priority and eligible for the Program;
- (5) Clarify that native forest production is supported by the Program;

- (6) Clarify that non-native forest production cannot result in the loss of native vegetation; and
- (7) Add a definition of "program implementation agreement" for clarity.

Impact on the public: This bill would allow private landowners, including long-term leaseholders, to participate in the Program to be eligible for reimbursement at an increased rate to help cover the total cost of developing an approved forest stewardship management plan. Many of the landowners who enroll in the Program would not have been able to pursue sustainable management of forest resources without the financial assistance made available through the Program. Forest stewardship management plans benefit the public by restoring native species, controlling invasive species, protecting forest watersheds, and increasing green jobs and education, while sustaining resources for future generations.

Impact on the department and other agencies: This bill would allow the Department to provide increased financial assistance to participants in the Program for the development of a management plan. By clarifying conditions that must be met by applicants to receive funds under the Program, this bill would also allow the Department to work with complimentary programs through the United States Department of Agriculture that may provide cost-share support for the implementation of approved forest stewardship management plans, while relieving some of the larger financial burden on the Department for supporting the total cost of a program implementation agreement. Supporting the public-private partnerships established by the Program is essential to the present and future health of forest resources.

GENERAL FUND:

None.

OTHER FUNDS:               None.

PPBS PROGRAM  
DESIGNATION:               LNR 172.

OTHER AFFECTED  
AGENCIES:                 None.

EFFECTIVE DATE:           Upon approval.