

Honolulu, Hawaii

FEB 18 , 2022

RE: H.B. No. 2493
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2493, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CARBON SEQUESTRATION INCENTIVES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish the Hawaii Farmland and Forest Soil Health Carbon Smart Incentive Program to incentivize carbon sequestration activities through contracts that provide for compensation for eligible practices by program participants; and
- (2) Appropriate funds for positions and administration of the Program.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Hawaii Green Infrastructure Authority; one member of the Hawai'i County Council; Climate Protection and Restoration Initiative; 350Hawaii.org; Hawaii Interfaith Power and Light; Conservation Council for Hawai'i; Climate Protectors Hawai'i; The Nature Conservancy - Hawai'i and Palmyra; Hawai'i Farm Bureau; Hawaii Gas; Hawaii Cattlemen's Council, Inc.; Our Revolution Hawaii; Energy and



Climate Action Committee, Environmental Caucus of the Democratic Party of Hawai'i; and nine individuals. Your Committee received comments on this measure from the Department of Budget and Finance, Department of Agriculture, Office of Planning and Sustainable Development, and one individual.

Your Committee finds that Hawaii needs to reduce its contribution to climate change, increase local food production, improve soil health, and secure resilient water sources. In addition to cutting emissions from burning carbon, Hawaii needs to mitigate climate change by sequestering greenhouse gases through regenerative agriculture and forest preservation. This measure advances these goals by establishing an incentive program that allows small farmers, ranchers, foresters, and landowners to be compensated for taking measures to help Hawaii reach its climate readiness goals.

Your Committee notes that the Greenhouse Gas Sequestration Task Force, established pursuant to Act 15, Session Laws of Hawaii 2018, and placed within the Office of Planning and Sustainable Development, conducts research and makes recommendations to promote greenhouse gas sequestration. Additionally, the Office of Planning and Sustainable Development has a strong record of promoting greenhouse gas sequestration. Therefore, your Committee notes that, should this measure continue through the legislative process, further consideration should be given to placing the incentive program proposed by this measure under the administration of the Greenhouse Gas Sequestration Task Force or Office of Planning and Sustainable Development, as those entities may be more appropriate to manage this program.

Your Committee has amended this measure by:

- (1) Clarifying that eligible lands includes public lands managed by a private citizen;
- (2) Clarifying that certain tasks of the Hawaii Green Infrastructure Authority are to be conducted in coordination with other relevant agencies;
- (3) Specifying that the Hawaii Green Infrastructure Authority must establish incentive contract terms within one year of receipt of a program application, but



removing the requirement to establish compensation rates;

- (4) Clarifying the activities the Authority must coordinate with relevant agencies;
- (5) Clarifying the composition of the Reviewing Committee to include the Chairperson of the Board of Land and Natural Resources, Chairperson of the Board of Agriculture, and representatives from the Native Hawaiian community;
- (6) Specifying that land managers are also eligible for the program;
- (7) Adding activities that are located in or provide services to historically disadvantaged and underserved communities as a priority eligibility requirement; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2493, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 2493, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



AARON LING JOHANSON, Chair



State of Hawaii
House of Representatives
The Thirty-first Legislature

HSCR 611-22

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 2493, HD 1	Committee Referral: EEP, CPC, FIN	Date: 2-15-22		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)	✓			
2. KITAGAWA, Lisa (VC)	✓			
3. AQUINO, Henry J.C.				✓
4. HAR, Sharon E.	✓			
5. HASHEM, Mark J.				✓
6. KONG, Sam Satoru		✓		
7. MIZUNO, John M.				✓
8. MORIKAWA, Dee	✓			
9. ONISHI, Richard H.K.	✓			
10. TARNAS, David A.	✓			
11. MATSUMOTO, Lauren	✓			
TOTAL (11)	7	1	0	3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u><i>Lisa Kitagawa</i></u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				