STAND. COM. REP. NO.

Honolulu, Hawaii FEB 0 5 , 2021

RE: H.B. No. 498

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committee on Water & Land, to which was referred H.B. No. 498 entitled:

"A BILL FOR AN ACT RELATING TO AQUATIC RESOURCES,"

begs leave to report as follows:

The purpose of this measure is to authorize the Department of Land and Natural Resources (Department) to use in-lieu fee mitigation to restore, create, enhance, or preserve aquatic habitats or resources as compensatory mitigation prospectively or for past damages.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Democratic Party Environmental Caucus, Ocean Tourism Coalition, Trilogy Excursions, and one individual.

Your Committee finds that natural resource agencies prefer third-party mitigation banks or in-lieu fee mitigation to permittee-responsible mitigation because these third-party mitigation bank or in-lieu fee sponsors are often public or private entities with more experience, scientific expertise, and vested long-term interest in natural resource conservation. Inlieu fee mitigation is widely used across the United States to achieve ecologically valuable conservation by restoring wetland and stream habitats. This measure allows the Department to be the



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first state in the nation to establish in-lieu fee mitigation for coral reefs.

As affirmed by the record of votes of the members of your Committee on Water & Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 498 and recommends that it pass Second Reading and be referred to your Committee on Judiciary & Hawaiian Affairs.

> Respectfully submitted on behalf of the members of the Committee on Water & Land,

DAVID A. TARNAS, Chair



State of Hawaii House of Representatives The Thirty-first Legislature

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Record of Votes of the Committee on Water & Land

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