

A BILL FOR AN ACT

RELATING TO CONSERVATION MITIGATION BANKS.

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

1	SECT	ION 1. The legislature finds that mitigation banks
2	restore, d	create, enhance, or preserve habitats or resources to
3	recover th	he ecological functions, services, and values of
4	resources	lost by adverse impacts to other similar habitats. By
5	2001, the	federal government and at least thirty-one states
6	developed	successful mitigation bank guidelines and programs.
7	Mitigation	n banking has a number of advantages over traditional
8	permittee	-responsible compensatory mitigation because of the
9	ability of	f mitigation banking programs to:
10	(1)	Reduce uncertainty about whether compensatory
11		mitigation will be successful in offsetting project
12		impacts;
13	(2)	Assemble and apply extensive financial resources,
14		planning, and scientific expertise not always
15		available to many permittee-responsible compensatory
16		mitigation proposals;



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1	(3)	Reduce permit processing times and provide more	
2		cost-effective compensatory mitigation opportunities;	
3		and	
4	(4)	Enable the efficient use of limited agency resources	
5		in the review and compliance monitoring of	
6		compensatory mitigation projects because of	
7		consolidation.	
8	Mitigatio	n banks would serve as a mechanism to restore or	
9	replace r	esources and ecological functions of habitats either	
10	prospectively or after they have been damaged.		
11	The	purpose of this Act is to authorize the department of	
12	land and	natural resources to establish and operate conservation	
13	mitigatio	n banks to restore, create, enhance, or preserve	
14	conservat	ion habitats or resources as compensatory mitigation	
15	where a p	erson or entity is required to provide compensatory	
16	mitigatio	n prospectively and the use of banked mitigation is	
17	approved	by the agency requiring mitigation, or for past damages	
18	to conser	vation habitats or resources.	
19	SECT	ION 2. The Hawaii Revised Statutes is amended by	
20	adding a	new chapter to be appropriately designated and to read	
21	as follow	s:	

2023-0357 HB HMSO

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1	"CHAPTER
2	CONSERVATION MITIGATION BANKS
3	§ -1 Conservation mitigation banking. The department of
4	land and natural resources is authorized to establish and
5	operate conservation mitigation banks, the purpose of which
6	shall be to restore, create, enhance, or preserve conservation
7	habitats or resources as compensatory mitigation where a person
8	or entity is required to provide compensatory mitigation
9	prospectively and the use of banked mitigation is approved by
10	the agency requiring mitigation, or for past damages to
11	conservation habitats or resources.
12	§ -2 Conservation mitigation banking administrator. The
13	department of land and natural resources may contract with a
14	third-party administrator that specializes in mitigation banking
15	to $op \oplus rate$ and manage the conservation mitigation banks in
16	section -1.
17	§ -3 Conservation mitigation bank; sale of credits.
18	Investors in a conservation mitigation bank shall not be
19	required to own the parcel of land and shall be authorized to
20	sell the credits generated from the ecological conditions to

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persons or entities that need the credits to compensate for
 environmental impacts that they have caused.

3 § -4 Rules. The department of land and natural
4 resources may adopt rules pursuant to chapter 91 necessary for
5 the purposes of this chapter.

6 -5 Definition. As used in this chapter, "conservation S 7 mitigation bank" means a parcel of land managed to restore or 8 maintain certain ecological conditions, including a functional 9 wildlife habitat and the presence of endangered species, for a set time period. The term "conservation mitigation bank" may 10 11 refer to mitigation activity for both species and habitats and 12 shall be analogous to habitat bank and biodiversity bank." 13 SECTION 3. This Act shall take effect on January 1, 2024. 14

INTRODUCED BY: his Marten

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Report Title: DLNR; Conservation Mitigation Bank

Description:

Authorizes the department of land and natural resources to establish and operate conservation mitigation banks to restore, create, enhance, or preserve conservation habitats or resources as compensatory mitigation. Authorizes the department to contract a third-party administrator for the operation of the mitigation banks. Clarifies the sale of credits involved in conservation mitigation banking. Defines "conservation mitigation bank". Effective 1/1/2024.

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