

Honolulu, Hawaii
, 2026
FEB. 04

RE: H.B. No. 1802
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1802 entitled:

"A BILL FOR AN ACT RELATING TO CONSERVATION MITIGATION BANKS,"

begs leave to report as follows:

The purpose of this measure is to:

(1) Authorize the Department of Land and Natural Resources to:

(A) Establish and operate conservation mitigation banks to restore, create, enhance, or preserve species, their habitats, or resources as compensatory mitigation where the issuance of an incidental take license requires the licensee to provide mitigation as part of a habitat conservation plan and the use of banked mitigation is approved by the agency requiring mitigation, or for past damages; and

(B) Contract with a third-party administrator for the operation and management of the conservation mitigation banks; and



- (2) Clarify procedures for the sale of credits involved in conservation and mitigation banking.

Your Committee received testimony in opposition to this measure from the Center for Biological Diversity and one individual. Your Committee received comments on this measure from the Department of Land and Natural Resources; Earthjustice; and Sierra Club of Hawai'i.

Your Committee finds that conservation banks function by selling credits to developers, construction companies, and other entities to offset incidental environmental harm those entities have caused or may cause. Your Committee further finds that conservation banking can serve as a mechanism to restore or replace resources and ecological functions of habitats prospectively or after they have been damaged. This measure seeks to provide an alternative method for offsetting environmental harm by authorizing the establishment and operation of conservation banks.

Your Committee has amended this measure by:

- (1) Changing the process for the establishment of conservation banks to a process in which the Department of Land and Natural Resources and certain entities may seek approval of a conservation bank instrument to operate a conservation bank from the Board of Land and Natural Resources;
- (2) Adding the Associate Director of the United States Geological Survey, Ecosystem Mission Area, to the membership of the Endangered Species Committee;
- (3) Requiring the Endangered Species Recovery Committee to conduct certain review and oversight tasks related to conservation banks;
- (4) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (5) 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1802, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1802, H.D. 1, and be referred to your Committee on Water & Land.

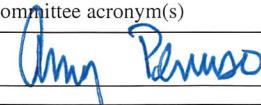
Respectfully submitted on behalf of the members of the Committee on Energy & Environmental Protection,



NICOLE E. LOWEN, Chair



Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.:	Committee Referral:	Date:		
HB 1802	EEP, WAL, FIN	1/29/26		
<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)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. LOWEN, Nicole E. (C)	✓			
2. PERRUSO, Amy A. (VC)	✓			
3. CHUN, Cory M.				✓
4. KAHALOA, Kirstin	✓			
5. KUSCH, Matthias	✓			
6. QUINLAN, Sean				✓
7. MATSUMOTO, Lauren	✓			
TOTAL (7)	5			2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____ 				
Distribution: Original (White) – Committee		Duplicate (Yellow) – Chief Clerk's Office	Duplicate (Pink) – HMSO	