

Honolulu, Hawaii

Feb 17, 2006

RE: H.B. No. 2396
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Water, Land, & Ocean Resources, to which was referred H.B. No. 2396 entitled:

"A BILL FOR AN ACT RELATING TO FOREST STEWARDSHIP,"

begs leave to report as follows:

The purpose of this bill is to improve the scope and quality of forest reserve management and stewardship activities provided by the Department of Land and Natural Resources (DLNR) for the public benefit by:

- (1) Placing any moneys accrued from previously excluded sources, including fines and penalties into the Forest Stewardship Fund (Stewardship Fund); and
- (2) Specifying that moneys in the Stewardship Fund may also be used to manage the forest reserve system.

DLNR, The Nature Conservancy of Hawai'i, and Hawai'i Forest Industry Association testified in support of this bill. Sierra Club, Hawai'i Chapter, opposed this measure.

The current statute providing sources of funding for the Stewardship Fund excludes income from funds other than the income from the harvest and sale of certain forest products and tree seedlings, requiring those funds to be transferred to the general fund. Your Committee believes that by deleting confusing and contradictory language requiring this depository of "other moneys



accrued from forest reserves or the products thereof," and requiring depository of these "other moneys" into the Stewardship Fund, DLNR will be better equipped to properly manage our state's treasured forest reserves.

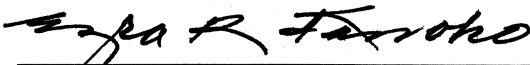
Your Committee acknowledges and DLNR satisfactorily responded to concerns and caution expressed by the Sierra Club that the self-serving incentives of added revenues provided by this bill could create unintended consequences for the State's forest reserves. Your Committee emphasizes that the intent of this bill is not to create an incentive for ecotourism, bioprospecting, and forest harvesting activities, but to increase the revenues in the Stewardship Fund to improve management of the forest reserves.

Your Committee has amended this bill by:

- (1) Inserting a findings and purpose section; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2396, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2396, H.D. 1, and be referred to the Committee on Finance.

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


EZRA R. KANOHO, Chair



