

Honolulu, Hawaii

FEB 17

, 2006

RE: S.B. No. 2359
S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Water, Land, and Agriculture, to which was referred S.B. No. 2359 entitled:

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

begs leave to report as follows:

The purpose of this measure is to allow the revenue derived from the forest reserves to be deposited into the Forest Stewardship Fund for the management of the State Forest Reserve System.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Hawaii Forest Industry Association, and the Nature Conservancy. Comments were also submitted by the Sierra Club.

Currently, the Forest Stewardship Fund is funded by the sales of timber from forest reserves or from the sales of seedlings at state tree nurseries. The revenue from the fund is used to maintain cabins, campgrounds, road accesses, signage, fences, and other forest enhancements and management activities. Your Committee finds that additional categories of revenue should be used to replenish this fund. This measure authorizes the revenues from the forest reserves, as well as the moneys from:

- (1) The sale of products, services, or other values derived from forest reserves; and



- (2) Fines or penalties collected under chapters 183, 185, and 195F,

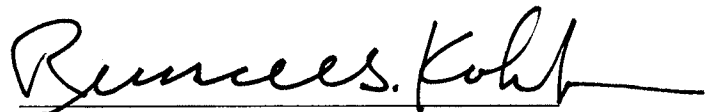
to be deposited into the Forest Stewardship Fund.

Your Committee noted concerns that this additional stream of revenue may be an incentive for the department to encourage the over-capitalization of our forest reserve resources through activities like the abusive harvesting of trees. Thus, your Committee amended this measure to address this concern by:

- (1) Requiring the department to submit an annual report to the legislature outlining the revenues gained from the forest reserves; and
- (2) Providing a sunset provision to ensure that if the new source of revenue for the Forest Stewardship Fund encourages negative activities, its funding mechanism will revert back to its current form.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2359, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2359, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Water, Land, and
Agriculture,

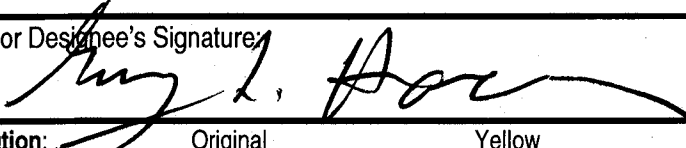


RUSSELL S. KOKUBUN, Chair



The Senate
Twenty-Third Legislature
State of Hawaii

Record of Votes of the
Committee on Water, Land and Agriculture
(Bills and Resolutions)

Measure:* SB2359	Committee Referral: WA, WAM	Date: 2/15/06		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is to: <input type="checkbox"/> Pass, unamended (2312) <input checked="" type="checkbox"/> Pass, with amendments (2311) <input type="checkbox"/> Hold (2310) <input type="checkbox"/> Recommit (2313)				
Members	Ayes	Ayes(WR)	Nays	Excused
KOKUBUN, Russell S. (C)	✓			
HOOSER, Gary L. (VC)	✓			
ENGLISH, J. Kalani	✓			
FUKUNAGA, Carol				✓
HEMMINGS, Fred	✓			
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Do not list more than one measure per Record of Votes.