
A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF LAND AND NATURAL RESOURCES.

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

1 SECTION 1. The legislature finds that the State's natural
2 environment and ecosystem are in a fragile position when
3 considering the amount of greenhouse gases released through
4 human activities and their contribution to global climate
5 change.

6 As the most geographically isolated island in the world,
7 Hawaii is at a crossroads. The harsh reality of global warming
8 has put Hawaii in a dangerous position that not only increases
9 our dependence on fossil fuels, but is also causing noticeable
10 changes to the natural environment. Hawaii is expecting to
11 experience detrimental environmental conditions in the near
12 future including more severe storms, less rainfall, warmer
13 temperatures that may favor invasive species, sea level rise,
14 and ocean acidification that hampers coral growth. These
15 climate changes will likely impose major, but not fully
16 understood costs, and other impacts on Hawaii's people and the
17 natural environment necessary to support life in the Pacific
18 ocean. Nowhere is it more obvious than on isolated islands like



1 Hawaii that our lives and economy are intertwined with the
2 health and function of the natural world around us.

3 The legislature finds that the State needs to support
4 programs that incentivize businesses and landowners to adopt and
5 practice environmentally friendly actions that result in reduced
6 carbon emissions into the environment. One such mechanism that
7 has gained success in Europe after the Kyoto Protocol, has been
8 the transferring and selling of carbon credits.

9 The purpose of this Act is to create a process for local
10 businesses, individuals, and land owners to acknowledge the
11 multitude of benefits related to investing in forest carbon
12 offsets in Hawaii that would incentivize and reward businesses
13 or individuals for keeping land designated as conservation or
14 that adopt, practice, and adhere to carbon emission reduction
15 activities, consistent with the Hawaii 2050 sustainability plan,
16 over the long-term.

17 SECTION 2. The Hawaii Revised Statutes is amended by
18 adding a new chapter to title 12, subtitle 6, to be
19 appropriately designated and to read as follows:

20 "CHAPTER

21 FOREST CARBON OFFSETS PROGRAM

22 § -1 Definitions. As used in this chapter:



1 "Board" means the board of land and natural resources.

2 "Department" means the department of land and natural
3 resources.

4 "Forest carbon offset" means a transferable unit based on a
5 measured amount of carbon storage expressed as a carbon dioxide
6 emission equivalent, or other equivalent standard, and accruing
7 on forestland as live or dead matter in trees, shrubs, forest
8 litter, and soil.

9 **§ -2 Forest carbon offsets program.** (a) The department
10 shall establish a forest carbon offsets program to develop a
11 process to identify forest management actions that contribute to
12 carbon sequestration and offset credits that can be transferred
13 or sold among public and private agencies in the State, on
14 regulated or volunteer markets, to guarantee sustainable
15 management of Hawaii's natural resources, ensure land
16 conservation, and reduce carbon emissions.

17 (b) The department shall adopt rules pursuant to chapter
18 91 necessary to carry out the purposes of this chapter.

19 **§ -3 Forest carbon offset.** (a) A forest carbon offset
20 is created by performing, financing, or otherwise causing one or
21 more of the following activities:



- 1 (1) Reforestation of underproducing lands that are not
- 2 otherwise subject to require reforestation;
- 3 (2) Forest management activities not required under law
- 4 existing at the point of creation of the forest carbon
- 5 offset, including but not limited to the following
- 6 practices:
- 7 (A) Stand density control treatments in overstocked,
- 8 underproducing stands of timber;
- 9 (B) Silvicultural practices that increase forest
- 10 stand biomass, including but not limited to
- 11 structure-based management, variable retention,
- 12 uneven age management, longer rotation ages, and
- 13 no harvest reserves;
- 14 (C) Expanded riparian buffers and other leave areas;
- 15 and
- 16 (D) Deferred harvest rotations past fifty years or an
- 17 appropriate time depending on the species, or the
- 18 age of economic maturity, whichever is longer;
- 19 and
- 20 (3) Other activities as defined by the board.



1 (b) The department shall only be responsible for
2 identifying sustainable management activities for forest carbon
3 offsets.

4 **§ -4 Sustainable management.** (a) The department shall
5 develop a process for recognizing sustainable management of
6 Hawaii's natural resources and the additional benefits related
7 to forest carbon offsets. The process for the determination of
8 sustainable management shall include:

- 9 (1) Accepted principles, standards, and best management
10 practices relating to the management and restoration
11 of Hawaiian natural resources;
- 12 (2) The effects of increasing carbon sequestration and
13 storage on forestlands as measured by a third party or
14 accredited forest carbon offset accounting system;
- 15 (3) Whether there is harm or deterioration of the natural
16 resources of Hawaii; and
- 17 (4) Environmental, social, cultural, or economic benefits
18 for the citizens of Hawaii, including but not limited
19 to the protection or enhancement of long-term native
20 fish and wildlife habitat and water quality.

21 (b) Rules adopted by the board under this section shall
22 set standards to assure participants that forest carbon offsets



1 to be transferred or sold as a result of forest management
2 activities:

3 (1) Shall not harm or deteriorate the natural resources of
4 Hawaii; and

5 (2) Shall provide environmental, social, cultural, or
6 economic benefits for Hawaii and its citizens,
7 including but not limited to the protection or
8 enhancement of long-term native fish and wildlife
9 habitat and water quality.

10 (c) Rules adopted by the board under this section shall
11 establish principles to ensure that the forest carbon offset
12 program shall:

13 (1) Include provisions for establishing the appropriate
14 baseline for projects, practices, rotation ages,
15 harvest schedules and ownership for which measured
16 carbon dioxide emission debits, and credits for carbon
17 storage or sequestration are made through a third
18 party or accredited program;

19 (2) Ensure that specific forest management practices used
20 on-site include verifiable provisions for monitoring
21 carbon dioxide emission for carbon storage or



1 sequestration, from the implementation of specific
2 practices;

3 (3) Account for environmental, social, or economic
4 benefits of forest carbon offsets and ensure that
5 practices with unsustainable, long-term consequences
6 are not used to create forest carbon offsets; and

7 (4) Encourage the use of reputable third-party
8 verification of forest carbon offsets.

9 **§ -5 Carbon offset transfer or sell.** Nothing in this
10 chapter shall prohibit any person or governmental agency from
11 marketing, selling, or transferring forest carbon offsets.
12 Rules adopted by the board shall not prohibit any person from
13 marketing, selling, or transferring forest carbon offsets using
14 principles and standards different than those adopted by the
15 board.

16 **§ -6 Fees.** The board shall establish a processing fee
17 for the identification of sustainable forest carbon offsets.
18 Fees collected shall be deposited in the forest stewardship fund
19 established under section 195F-4 to support forest management
20 and restoration."

21 SECTION 3. This Act shall take effect on July 1, 2012.



Report Title:

Forest Carbon Offsets Program; Carbon Emissions; Department of
Land and Natural Resources

Description:

Establishes a forest carbon offsets program in the department of
land and natural resources. Creates a process for local
businesses, individuals, and land owners to invest in forest
carbon offsets that would provide incentives for retaining
conservation land or practicing carbon emission reduction
activities. (SD1)

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not legislation or evidence of legislative intent.*

