

# S.B. NO. 990

JAN 25 2017

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## A BILL FOR AN ACT

RELATING TO FOREST STEWARDSHIP.

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

1           SECTION 1. Section 195F-1, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           " ~~[§]~~ **§195F-1** ~~[§]~~ **Findings and purpose.** The legislature  
4 finds that:

5           (1) Much of the forest land in Hawaii is privately  
6 owned ~~[+]~~ and managed;

7           (2) The capacity to protect important watersheds and  
8 native Hawaiian plants and animals and to produce  
9 renewable forest resources is significantly dependent  
10 on these privately ~~owned~~ managed forest and formerly  
11 forested lands;

12           (3) The factors essential to the quality of life in  
13 Hawaii, including our water and air quality, mild  
14 climate, and habitat available for plants and animals  
15 unique to these islands, can be maintained and  
16 improved through good stewardship of ~~[private]~~  
17 privately managed forest ~~[lands]~~;

S.B. NO. 990

1           (4) To accomplish these purposes, the present system of  
2           state and federal financial and technical assistance  
3           programs needs to be expanded to promote the long-term  
4           management of additional privately [~~owned~~] managed  
5           forest and formerly forested lands throughout the  
6           State; and

7           (5) A forest stewardship program should be established to  
8           supplement the natural area reserves system's programs  
9           under chapter 195 by encouraging [~~private~~] landowners  
10          of privately [~~owned~~] managed forest and formerly  
11          forested lands that cannot qualify as potential  
12          natural area reserves to make long-term commitments to  
13          protect, maintain, and restore important watersheds,  
14          [~~timber~~] forest resources, forest products, fish and  
15          wildlife habitats, isolated populations of rare and  
16          endangered plants, native vegetation, and other lands  
17          that provide significant public benefits.

18          The purpose of this chapter is to establish a program to  
19          financially assist landowners in managing, protecting, and  
20          restoring important natural resources in Hawaii's forested and  
21          formerly forested lands."

S.B. NO. 990

1 SECTION 2. Section 195F-2, Hawaii Revised Statutes, is  
2 amended by adding a new definition to be appropriately inserted  
3 and to read as follows:

4 "Program implementation agreement" means a written forest  
5 stewardship management contract between the board and program  
6 applicant."

7 SECTION 3. Section 195F-3, Hawaii Revised Statutes, is  
8 amended by amending subsection (a) to read as follows:

9 "(a) There is established a forest stewardship program to  
10 be administered by the board to assist [~~private landowners in~~  
11 ~~managing, protecting, and restoring~~] landowners of privately  
12 managed forest to manage, protect, and restore important  
13 watersheds, native vegetation, [~~timber~~] forest resources, forest  
14 products, fish and wildlife habitats, isolated populations of  
15 rare and endangered plants, and other lands that are not  
16 recognized as potential natural area reserves."

17 SECTION 4. Section 195F-5, Hawaii Revised Statutes, is  
18 amended by amending subsections (a) and (b) to read as follows:

19 "(a) To participate in the forest stewardship program, the  
20 applicant landowner shall prepare and submit [~~to the board~~] a  
21 forest stewardship management plan that shall:

S.B. NO. 990

- 1           (1) Identify and describe activities to be undertaken by  
2           the landowner to protect soil, water, aesthetic  
3           quality, recreation, [~~timber,~~] forest resources,  
4           forest products, water, fish, wildlife, and native  
5           plant resources on the land in a manner that is  
6           compatible with the objectives of the program, is  
7           consistent with this chapter, and qualifies under the  
8           board's list of approved activities;
- 9           (2) Be signed by all parties having an interest in or  
10          holding any encumbrance upon the property, and shall  
11          state that the parties agree to comply with the plan  
12          upon its approval; and
- 13          (3) Be approved by the board and available for public  
14          review.
- 15          (b) The board and other cooperating natural resource  
16          management agencies shall develop a list of approved management  
17          activities and practices that shall be eligible for cost-share  
18          assistance under the program in the following areas:
- 19               (1) Enhanced management and maintenance of vegetation on  
20               vital watershed lands;
- 21               (2) Sustainable growth and management of forests for  
22               timber and [~~ether~~] forest products;

S.B. NO. 990

- 1        (3) Management for non-native forest products on lands  
2            ~~[from which all or most of the native vegetation had~~  
3            ~~been removed prior to January 1, 1991,]~~ that have not  
4            been cleared of all or most of the native vegetation  
5            in the previous five years;
- 6        ~~[(3)]~~ (4) Protection, restoration, and enhancement of  
7            native plants and animals;
- 8        ~~[(4)]~~ (5) Management, maintenance, and restoration of  
9            forests for shelterbelts, windbreaks, aesthetic  
10           quality, and other conservation purposes ~~[on lands~~  
11           ~~from which all or most of the native vegetation had~~  
12           ~~been removed prior to January 1, 1991];~~
- 13       ~~[(5)]~~ (6) Agroforestry management on lands ~~[from which all~~  
14           ~~or most of the native vegetation had been removed~~  
15           ~~prior to January 1, 1991];~~
- 16       ~~[(6)]~~ (7) Management and maintenance of native fish and  
17           wildlife habitats;
- 18       ~~[(7)]~~ (8) Management of outdoor recreational opportunities;  
19           and
- 20       ~~[(8)]~~ (9) Other activities approved by the board, which are  
21           consistent with this chapter."

S.B. NO. 990

1 SECTION 5. Section 195F-6, Hawaii Revised Statutes, is  
2 amended as follows:

3 (1) By amending subsection (a) to read as follows:

4 "(a) Payments from the forest stewardship fund shall not  
5 exceed [~~fifty~~]:

6 (1) Seventy-five per cent of the total cost of the  
7 landowner in developing [~~and implementing~~] an approved  
8 management plan[-]; and

9 (2) Fifty per cent of the total cost of the landowner in  
10 implementing an approved management plan.

11 Total payments to any one landowner shall be determined by the  
12 board, and the reasonable value of material, goods, and services  
13 contributed toward the management plan by the landowner shall be  
14 included in determining the amount of the landowner's cost. The  
15 landowner shall be required to spend private funds before  
16 reimbursements are made. In-kind services such as heavy  
17 equipment and existing sources of labor may be utilized as a  
18 portion of the landowner's contribution in implementing the  
19 management plan that is consistent with this chapter."

20 (2) By amending subsections (c), (d), and (e) to read as  
21 follows:

S.B. NO. 990

1           "(c) To receive funds under the forest stewardship  
2 program, an applicant shall:

3           (1) Be a landowner of [~~private~~] privately managed forest  
4 that is not managed under existing federal, state, or  
5 private sector financial and technical assistance  
6 programs and that is not recognized as a potential  
7 natural area reserve. [~~Private forest lands managed~~]  
8 Privately managed forest under existing federal,  
9 state, or private sector financial and technical  
10 assistance programs may be eligible for assistance  
11 under this program if the landowner agrees to comply  
12 with the requirements of the program or if forest  
13 management activities are expanded or enhanced to meet  
14 the requirements of this chapter;

15           (2) Prepare and submit a forest stewardship management  
16 plan as set forth in section 195F-5; and

17           (3) Enter into [~~an~~] a program implementation agreement  
18 with the board [~~to do the following:~~], upon approval  
19 of the forest stewardship management plan by the  
20 board. Upon approval of the program implementation  
21 agreement by the board, the applicant shall:

S.B. NO. 990

1           (A) Undertake and maintain the approved activities  
2                   under the management plan for not fewer than ten  
3                   years, unless the board approves modifications in  
4                   the plan;

5           (B) Complete all approved activities under the  
6                   management plan within the timetable agreed upon  
7                   by the board and the landowner consistent with  
8                   the intent of this chapter;

9           (C) Submit an annual progress report to be reviewed  
10                   by the board for each year in which the landowner  
11                   receives support under the program. This report  
12                   shall detail accomplishments, areas requiring  
13                   technical advice, and any proposed modifications  
14                   of the management plan; and

15           (D) Other conditions deemed necessary by the board to  
16                   implement the purposes of this chapter.

17           (d) The board shall review the annual progress report and  
18                   shall determine whether the landowner has met the objectives of  
19                   the management plan. To facilitate the review, the department  
20                   shall have the right to make inspections of the forest land  
21                   after prior landowner notification. The board may approve



S.B. NO. 990

1 alteration of the management plan to adapt to current  
2 conditions. Amendments to the management plan shall be  
3 available for public review.

4 (e) The board shall submit annually a detailed report to  
5 the governor and legislature that shall:

6 (1) Identify management objectives that have been  
7 completed on [~~private lands~~] privately managed forest  
8 lands resulting from payments made pursuant to section  
9 195F-4(a)(1) and provide an analysis of problems and  
10 issues encountered in meeting or failing to meet  
11 objectives as set forth in the management plans;

12 (2) Identify all reforestation, forest management,  
13 education, and training objectives that have been  
14 completed as a result of any expenditures made  
15 pursuant to section 195F-4(a)(2);

16 (3) Describe the financial condition of the fund,  
17 including receipts and expenditures from the previous  
18 fiscal year; and

19 (4) Set forth plans and management objectives for the next  
20 fiscal year."

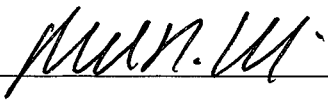
21 SECTION 6. Statutory material to be repealed is bracketed  
22 and stricken. New statutory material is underscored.

S.B. NO. 990

1 SECTION 7. This Act shall take effect upon its approval.

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INTRODUCED BY: 

4

BY REQUEST

S.B. NO. 990

**Report Title:**

Forest Stewardship Program

**Description:**

Clarifies conditions that must be met by applicants to receive funds under the Forest Stewardship Program.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

# SB. NO. 990

## JUSTIFICATION SHEET

DEPARTMENT: Land and Natural Resources

TITLE: A BILL FOR AN ACT RELATING TO FOREST STEWARDSHIP.

PURPOSE: Clarifies conditions that must be met by applicants to receive funds under the Forest Stewardship Program.

MEANS: Amend sections 195F-1, 195F-2, 195F-3(a), 195F-5(a) and (b), and 195F-6(a) and (c)-(e), Hawaii Revised Statutes.

JUSTIFICATION: The Forest Stewardship Program (Program) provides technical and financial assistance to private landowners or long-term leaseholders of forests in managing, protecting, and restoring important natural resources in Hawaii's forested and formerly forested lands. Sixty-six percent of Hawaii's forested areas are privately managed. The Program enables participants to responsibly manage important forest resources that provide vital public and private socioeconomic and environmental benefits.

With the withdrawal of much of Hawaii's agricultural industries, including sugar and pineapple, the Program encourages the restoration, forest production, and conservation of degraded agricultural areas with native forest ecosystems. The Program also serves to stimulate investment in forestry as an economically viable land-use alternative that supplies Hawaii's rural communities with a source of revenue, provides locally grown products and energy to reduce Hawaii's dependence on imported goods, and contributes environmental benefits, such as clean water and habitat for Hawaii's native wildlife. Additionally, support of native forest production within eligible state land use districts

incentivizes private landowners and land managers to maintain and restore native forests instead of clearing them for other uses.

The Program allows landowners to access natural resource experts that help program participants responsibly and sustainably manage forest resources. This interaction with experts transfers knowledge and improves the management of privately managed forest lands, which benefits the public by increasing freshwater resources, providing habitat for native wildlife, reducing soil erosion and sedimentation on to coral reefs, identifying and controlling invasive species, and creating smart sustainable communities. The Program especially reduces the financial barrier for landowners and land managers to access natural resource experts.

Specifically, the bill seeks to accomplish the following:

- (1) Increase the reimbursement rate for the development of forest stewardship management plans from fifty percent to seventy-five percent reducing the financial barrier for private landowners and land managers to participate in the Program and access natural resource experts;
- (2) Clarify that program applicants must enter into a program implementation agreement with the Board of Land and Natural Resources upon approval of the forest stewardship management plan to receive program funding;
- (3) Clarify that long-term leaseholders are eligible to participate in the Program;
- (4) Clarify that production of other forest products in addition to timber are a priority and eligible for the Program;
- (5) Clarify that native forest production is supported by the Program;

- (6) Add "management for non-native forest products on lands that have not been cleared of all or most of the native vegetation in the previous five years" as an approved management activity and practice that shall be eligible for cost-share assistance under the Program; and
- (6) Add a definition of "program implementation agreement" for clarity.

Impact on the public: This bill proposes to allow private landowners, including long-term leaseholders, to participate in the Program to be eligible for reimbursement at an increased rate to help cover the total cost of developing an approved forest stewardship management plan. Many of the landowners who enroll in the Program would not have been able to pursue sustainable management of forest resources without the financial assistance made available through the Program. The forest stewardship management plans benefit the public by restoring native species, controlling invasive species, protecting forest watersheds, and increasing green jobs and education, while sustaining resources for future generations.

Impact on the department and other agencies: This bill proposes to allow the Department to provide increased financial assistance to participants in the Program for the development of a management plan. By clarifying conditions that must be met by applicants to receive funds under the Program, this bill will also allow the Department to work with complimentary programs through the United States Department of Agriculture that may provide cost-share support for the implementation of approved forest stewardship management plans, while relieving some of the larger financial burden on the Department for supporting the total cost of a program implementation agreement. Supporting the

public-private partnerships established by the Program is essential to the present and future health of forest resources.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: LNR 172.

OTHER AFFECTED  
AGENCIES: None.

EFFECTIVE DATE: Upon approval.