

Honolulu, Hawaii

February 16, 2018

RE: H.B. No. 1986
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1986, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE ENVIRONMENT,"

begs leave to report as follows:

The purpose of this measure is to incentivize and reward the adoption, practice, and adherence to carbon emission reduction activities, consistent with the Hawaii 2050 Sustainability Plan, by creating a program under the Department of Business, Economic Development and Tourism that allows state agencies and other interested parties to acquire carbon offset credits that may be exchanged and the resulting proceeds be invested to improve the State's water infrastructure.

The Department of Business, Economic Development and Tourism, Office of Planning, Hawaii Island Economic Development Board, The Nature Conservancy of Hawai'i, Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii, Sierra Club of Hawai'i, Ulupono Initiative, and several individuals testified in support of this measure. The Department of Land and Natural Resources, Hawai'i Farm Bureau, Life of the Land, and an individual provided comments.



Your Committee has amended this measure by:

- (1) Changing the name of the Carbon Offset Program to Carbon Credit Revenue Program;
- (2) Requiring that the Carbon Credit Revenue Program administer revenues realized from the sale of any carbon credits;
- (3) Allowing the Carbon Credit Revenue Program to recognize carbon credits from established international or national carbon registries instead of requiring the creation of carbon credits;
- (4) Deleting definitions of "carbon offset credit" and "emissions";
- (5) Adding definitions for "carbon credit," "carbon credit revenue," and "carbon registry"; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1986, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1986, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ROY M. TAKUMI, Chair



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: <i>HB 1986, HD1</i>	Committee Referral: <i>EEP, CPC, FIN</i>	Date: <i>2/13/19</i>		
<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)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKUMI, Roy M. (C)	✓			
2. ICHIYAMA, Linda (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. ITO, Ken	✓			
5. JOHANSON, Aaron Ling				✓
6. LoPRESTI, Matthew S.	✓			
7. MIZUNO, John M.	✓			
8. SAY, Calvin K.Y.	✓			
9. TOKIOKA, James Kunane	✓			
10. YAMANE, Ryan I.	✓			
11. McDERMOTT, Bob	✓			
TOTAL (11)	<i>10</i>	<i>0</i>	<i>0</i>	<i>1</i>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: <i>Frederick King</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				