

STAND. COM. REP. NO.

1462

Honolulu, Hawaii

MAR 25 , 2021

RE: S.B. No. 493  
S.D. 2  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which  
was referred S.B. No. 493, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish and appropriate funds for the Hawaii  
Agriculture and Forest Carbon Positive Incentive Program  
to incentivize carbon sequestration activities through  
carbon incentives contracts that provide for  
compensation for eligible practices by Program  
participants; and
- (2) Reallocate a portion of the Environmental Response,  
Energy, and Food Security Tax that is currently  
deposited into the Agricultural Development and Food  
Security Special Fund to a newly established Hawaii  
Agriculture and Forest Carbon Positive Incentive Program  
Special Fund, to be used for the purposes of the Hawaii  
Agriculture and Forest Carbon Positive Incentive  
Program.

2021-2759 SB493 HD1 HSCR HMSO



Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Hawaii Green Infrastructure Authority; Climate Protectors Hawai'i; Environmental Caucus of the Democratic Party of Hawai'i; Kauai Climate Action Coalition; Kauai Women's Caucus; The Nature Conservancy; Hawaii Cattlemen's Council, Inc.; and six individuals. Your Committee received testimony in opposition to this measure from the Department of Agriculture. Your Committee received comments on this measure from the Department of Taxation, Department of Budget and Finance, Office of Planning, and Tax Foundation of Hawaii.

Your Committee finds that approximately ninety percent of the State's food is imported, which makes Hawaii particularly vulnerable to natural disasters, disease, and other global events. Your Committee finds that the State needs to find a way to reduce its contribution to climate change and increase local food production. This measure incentivizes carbon positive actions through a payment of services program that would allow small farmers, ranchers, and landowners to be compensated for taking actions to help the State reach its climate positive goal.

Your Committee notes the concerns raised by the Department of Budget and Finance in the Department's testimony that establishing an incentive program as described in this measure will result in the lowering of tax revenue and impact the State's share of direct federal aid from the American Rescue Plan Act of 2021.

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 S.B. No. 493, S.D. 2, H.D. 1, and recommends that it be referred to your Committee on Finance.



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

*Aaron Ling Johanson for*  
AARON LING JOHANSON, Chair



