

STAND. COM. REP. NO.

531

Honolulu, Hawaii

FEB 19 , 2021

RE: H.B. No. 1351  
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 Water & Land, to which was referred H.B. No. 1351 entitled:

"A BILL FOR AN ACT RELATING TO CONSERVATION MITIGATION BANKS,"

begs leave to report as follows:

The purpose of this measure is to authorize the Department of Land and Natural Resources to establish and operate conservation mitigation banks to restore, create, enhance, or preserve conservation habitats or resources as compensatory mitigation where a person is required to provide compensatory mitigation prospectively and the use of banked mitigation is approved by the agency requiring mitigation, or for past damages to conservation habitats or resources.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Environmental Caucus of the Democratic Party of Hawai'i, Hawaii Reef and Ocean Coalition, and six individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that conservation mitigation banking has the advantage of reducing uncertainty about whether compensatory mitigation will be successful in offsetting project impacts; assembling and applying extensive financial resources, planning,

2021-1752 HB1351 HD1 HSCR HMSO



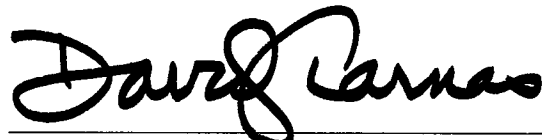
and scientific expertise; reducing permit processing times and providing more cost-effective compensatory mitigation opportunities; and enabling the efficient use of limited agency resources in the review and compliance monitoring of compensatory mitigation projects because of consolidation. Your Committee further finds that conservation mitigation banks would serve as a mechanism to restore or replace resources and ecological functions of habitats either prospectively or after they have already been damaged.

Your Committee has amended this measure by:

- (1) Specifying that the conservation mitigation banking proposed in this measure applies to entities as well as persons;
- (2) Further clarifying the sale of credits involved in conservation mitigation banking;
- (3) Adding a definition of "conservation mitigation bank";
- (4) Changing its effective date to January 1, 2050, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water & Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1351, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1351, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Water & Land,



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DAVID A. TARNAS, Chair



Record of Votes of the Committee on Water & Land

Bill/Resolution No.: <b>HB1351</b>	Committee Referral: <b>WAL, FIN</b>	Date: <b>2/10/2021</b>		
<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)				
WAL Members	Ayes	Ayes (WR)	Nays	Excused
1. TARNAS, David A. (C)	✓			
2. BRANCO, Patrick Pihana (VC)	✓			
3. GANADEN, Sonny	✓			
4. KOBAYASHI, Bertrand	✓			
5. KONG, Sam Satoru	X			
6. MORIKAWA, Dee	✓			
7. OHNO, Takashi				X
8. McDERMOTT, Bob		X		
<b>TOTAL (8)</b>	6	1		1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small style="margin-left: 100px;">committee acronym(s)</small>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				