

Honolulu, Hawaii

FEB 18 2022

RE: S.B. No. 3325
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committees on Agriculture and Environment and Energy, Economic Development, and Tourism, to which was referred S.B. No. 3325 entitled:

"A BILL FOR AN ACT RELATING TO CARBON SEQUESTRATION INCENTIVES,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the Hawaii farmland and forest soil health carbon smart incentive program to incentivize carbon sequestration activities; and
- (2) Appropriate funds for the program.

Your Committees received testimony in support of this measure from the Hawaii Green Infrastructure Authority; Department of Land and Natural Resources; The Nature Conservancy; 350Hawaii.org; Hawaii Cattlemen's Council, Inc.; Climate Protectors Hawai'i, Conservation Council For Hawaii, and seven individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Budget and Finance, Department of Agriculture, and Office of Planning and Sustainable Development.



Your Committees find that climate change has caused an increase in extreme weather events that pose a threat to food production and distribution. However, the State can mitigate its contributions to climate change by sequestering carbon. This measure incentivizes carbon sequestration by establishing a carbon smart incentive program for certain sequestering activities.

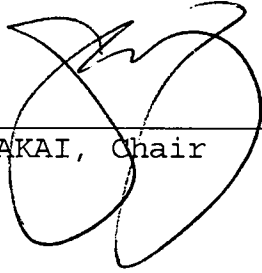
Your Committees have amended this measure by:

- (1) Making the Office of Planning and Sustainable Development the coordinating agency for the farmland and forest soil health carbon smart incentive program;
- (2) Replacing the carbon offset program under section 225P-6, Hawaii Revised Statutes, with the new provisions proposed by this measure to establish a farmland and forest soil health carbon smart incentive program;
- (3) Requiring the greenhouse gas sequestration task force to establish a reviewing committee;
- (4) Replacing the Hawaii Green Infrastructure Authority with the Office of Planning and Sustainable Development as the expending agency; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

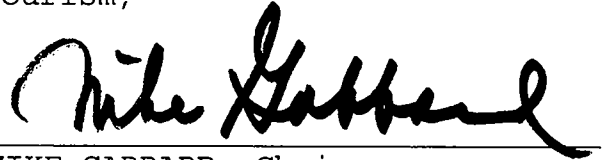
As affirmed by the records of votes of the members of your Committees on Agriculture and Environment and Energy, Economic Development, and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3325, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3325, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Agriculture and
Environment and Energy,
Economic Development, and
Tourism,



GLENN WAKAI, Chair



MIKE GABBARD, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:* <i>SB 3325</i>	Committee Referral: <i>(AEN) FEET, WAM</i>	Date: <i>02/14/22</i>
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The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	/			
NISHIHARA, Clarence K. (VC)	/			/
ACASIO, Laura	/			
RHOADS, Karl	/			
FEVELLA, Kurt	/			
TOTAL	<i>4</i>			<i>1</i>

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:


Distribution: Original Yellow Pink Goldenrod
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***Only one measure per Record of Votes**

The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Energy, Economic Development, and Tourism
EET

Bill / Resolution No.:* <i>SB 3325</i>	Committee Referral: <i>AEN/EET, WAM</i>	Date: <i>2/14/22</i>
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The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	✓			
MISALUCHA, Bennette E. (VC)	✓			
LEE, Chris				✓
RIVIERE, Gil	✓			
FEVELLA, Kurt	✓			
TOTAL	4	0	0	1

Recommendation:
 Adopted
 Not Adopted

Chair's or Designee's Signature:
Bennette E. Misalucha

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