

DAVID Y. IGE  
GOVERNOR

JOSH GREEN M.D.  
LT. GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF TAXATION**  
P.O. BOX 259  
HONOLULU, HAWAII 96809  
PHONE NO: (808) 587-1540  
FAX NO: (808) 587-1560

ISAAC W. CHOY  
DIRECTOR OF TAXATION

To: The Honorable Aaron Ling Johanson, Chair;  
The Honorable Lisa Kitagawa, Vice Chair;  
and Members of the House Committee on Consumer Protection and Commerce

From: Isaac W. Choy, Director  
Department of Taxation

Date: March 24, 2021  
Time: 2:00 P.M.  
Place: Via Videoconference, Hawaii State Capitol

**Re: S.B. 493, S.D. 2, H.D. 1, Relating to Agriculture**

The Department of Taxation (Department) offers the following comments regarding S.B. 493, S.D. 2, H.D. 1, for your consideration.

S.B. 493, S.D. 2, H.D. 1, adds several new sections to chapter 196, Hawaii Revised Statutes (HRS), to establish a Hawaii Agriculture and Forest Carbon Positive Incentive Program. It also amends section 243-3.5, HRS, which governs the barrel tax, directing the Department to deposit an unspecified portion of the \$1.05 tax imposed on each barrel or fractional part of a barrel of petroleum product, except for aviation fuel, into a newly-created special fund for the Incentive Program. S.D. 2 has a defective effective date of July 1, 2050, with certain appropriations provision sections taking effect on July 1, 2051.

The Department notes that this measure would create a new barrel tax allocation to a newly-established fund, which would require the Department to test the new allocation's functioning in conjunction with the Department of Budget & Finance and the Department of Accounting & General Services. If a functional effective date is to be inserted, the Department respectfully requests that the effective date of Section 5 be made no earlier than January 1, 2022. This will allow sufficient time to ensure proper functioning of the new allocation.

Thank you for the opportunity to provide testimony on this measure.



DAVID Y. IGE  
GOVERNOR

GWEN S. YAMAMOTO LAU  
EXECUTIVE DIRECTOR

## HAWAII GREEN INFRASTRUCTURE AUTHORITY

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone: (808) 587-3868

Testimony of  
**Gwen Yamamoto Lau**  
Executive Director  
before the  
**HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE**

Tuesday, March 24, 2021  
2:00 P.M.  
Conference Room 329 & Videoconference

in consideration of  
**SENATE BILL NO. 493, SD2, HD1**  
**RELATING TO AGRICULTURE**

Chair Johanson, Vice Chair Kitagawa, and Members of the Committee on Consumer Protection & Commerce:

Thank you for the opportunity to testify and provide comments on Senate Bill 493, SD2, HD1, relating to agriculture. This bill proposes to establish a Hawaii agriculture and forest carbon positive incentive program, to be administered by the Hawaii Green Infrastructure Authority, in collaboration with the department of agriculture, department of land and natural resources and the Office of Planning. The Hawaii Green Infrastructure Authority (HGIA) **supports** this bill.

The COVID-19 pandemic has reinforced the importance of intentionally collaborating to leverage the strengths of partners and stakeholders. This bill accomplishes said collaboration, leveraging the technical expertise of the Department of Land and Natural Resources and Office of Planning, the relationships and community outreach channels of the department of agriculture and the fiscal practices of HGIA. This carbon positive incentive program will enable small farmers and ranchers to reduce its contribution to climate change while increasing local food production.

HGIA defers to the department of agriculture, department of land and natural resources and the Office of Planning regarding their respective sections of the bill.

Thank you for this opportunity to testify and provide comments in support of SB 493, SD2, HD1.

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR  
  
ROBERT YU  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**  
TESTIMONY BY CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE  
ON  
SENATE BILL NO. 493, S.D. 2, H.D. 1

**March 24, 2021**  
**2:00 p.m.**  
**Via Videoconference**

RELATING TO AGRICULTURE

The Department of Budget and Finance (B&F) offers comments on Senate Bill (S.B.) No. 493, S.D. 2, H.D. 1.

S.B. No. 493, S.D. 2, H.D. 1, establishes the Hawai'i Agriculture and Forest Carbon Positive Incentive Program (HAFCCPIP); establishes the HAFCCPIP Special Fund; appropriates an unspecified amount of general funds for FY 22 and FY 23 to be deposited into the HAFCCPIP Special Fund and appropriates an unspecified amount of special funds from the HAFCCPIP for FY 22 and FY 23 for HAFCCPIP expenditures, which include the establishment of a 1.00 full-time equivalent Program Manager position; and allocates an unspecified amount from the Environmental, Response, Energy, and Food Security "Barrel" Tax to fund the HAFCCPIP Special Fund.

The measure provides for the HAFCCPIP to be administered by the Hawai'i Green Infrastructure Authority with assistance from the Department of Agriculture and the Department of Land and Natural Resources. The purpose of the fund and program shall be used to keep forests and working agriculture lands intact and sequester additional carbon on those lands by providing owners and lessees of eligible land

financial incentive payments for eligible practices over a designated period, with appropriate crediting for carbon benefits as specified through a carbon incentives contract.

B&F is concerned 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 (ARPA). Provisions of the ARPA specifically state:

*“A state or territory shall not use the funds provided under this section or transferred pursuant to section 603(c)(4) to either directly or indirectly offset a reduction in the net tax revenue of such state or territory resulting from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax (by providing for a reduction in a rate, a rebate, a deduction, a credit, or otherwise) or delays the imposition of any tax or tax increase.”*

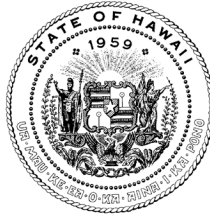
B&F notes that if the program described in S.B. No. 493, S.D. 2, H.D. 1, is interpreted to be in violation of the above provision, it will result in reduced ARPA funding. Hawaii's estimated allocation of ARPA funds is in excess of \$1.6 billion and is critical to mitigating the negative financial impacts the COVID-19 pandemic has had on the State budget.

Finally, as a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or

activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding S.B. No. 493, S.D. 2, H.D. 1, it is difficult to determine whether the proposed special fund would be self-sustaining.

Thank you for your consideration of our comments.

DAVID Y. IGE  
GOVERNOR OF  
HAWAII



SUZANNE D. CASE  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA  
FIRST DEPUTY

M. KALEO MANUEL  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

Testimony of  
SUZANNE D. CASE  
Chairperson

Before the House Committee on  
CONSUMER PROTECTION & COMMERCE

Wednesday, March 24, 2021  
2:00 PM

State Capitol, Via Videoconference, Conference Room 329

In consideration of  
SENATE BILL 493, SENATE DRAFT 2, HOUSE DRAFT 1  
RELATING TO AGRICULTURE

Senate Bill 493, Senate Draft 2, House Draft 1 proposes to establish a Hawaii agriculture and forest carbon-positive incentive program that will keep forests and working agricultural lands intact and sequester additional carbon on those lands and will fund the program with a portion of the revenues generated by the Environmental Response, Energy, and Food Security Tax. The bill also proposes to require the Department of Agriculture (DOA) and the Department of Land and Natural Resources (Department) to coordinate with the Hawaii Green Infrastructure Authority (HGIA) in developing the program. **The Department supports this bill with comments.**

The State of Hawaii's commitment to uphold the Paris Climate Accord and progressive move towards a carbon neutral clean economy by 2045 requires that we actively invest in reducing our emissions and mitigate greenhouse gases (primarily carbon dioxide - CO<sub>2</sub>). Well-managed forests and agricultural operations are carbon sinks. Investing in carbon positive actions such as forest protection and restoration, improved pasture management, and local organic plant food production are effective and efficient ways to mitigate our carbon footprint.

Smaller land managers play a significant role in managing our natural and agricultural resources, but often survive on small profit margins. The bill will provide an incentive to land managers to make climate-smart changes on their lands to reduce carbon emissions and increase carbon sequestration, while enhancing food production and ecosystem resilience. The Department believes the bill will complement other forest and agricultural assistance programs, and offer incentives not currently found in other programs, allowing lands across Hawaii's ecological and economic systems to participate.

The Department notes that the bill has been amended to divert funding from the Agricultural Development and Food Security Special Fund. The intention of this bill is to support DOA in its mission, not divert critical funding away from DOA. The Department respectfully requests that full funding be restored to DOA's Agricultural Development and Food Security Special Fund and that a new appropriation be added to fund this program.

The Department suggests the program be housed at HGIA. HGIA has a proven track record of supporting Hawaii's climate change goals by efficiently and effectively providing innovative financing to the community including the underserved. Because of their expertise in administering loan and grant programs to the public, the Department believes HGIA is best positioned to administer the program.

The Department would also like to recognize the concerns raised in previous hearings about how the program would work and would like to suggest that the United States Climate Alliance (USCA) Natural and Working Lands Hawaii Research Team that developed the concept of the bill be tapped to facilitate the program and address all concerns. This group meets weekly and can engage the USCA network to help with the development of the program.

Carbon Smart practices are beneficial to forest and agricultural land managers and the State as a whole. These actions will improve soil health, sequester carbon, and reduce erosion, thereby protecting our reef systems and nearshore waters, increasing water infiltration, and providing economic and environmental resiliency. This bill will help our local food-producers and land stewards make meaningful changes in support of a Climate Ready Hawaii.

Thank you for the opportunity to comment on this measure.

**DAVID Y. IGE**  
Governor

**JOSH GREEN**  
Lt. Governor



**PHYLLIS SHIMABUKURO-GEISER**  
Chairperson, Board of Agriculture

**MORRIS M. ATTA**  
Deputy to the Chairperson

State of Hawaii  
**DEPARTMENT OF AGRICULTURE**  
1428 South King Street  
Honolulu, Hawaii 96814-2512  
Phone: (808) 973-9600 FAX: (808) 973-9613

**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER  
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND  
COMMERCE**

**WEDNESDAY, MARCH 24, 2021  
2:00 P.M.  
VIA VIDEOCONFERENCE**

**SENATE BILL NO. 493, SD 2, HD 1  
RELATING TO AGRICULTURE**

Chairperson Johanson and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 493, SD 2, HD 1 that seeks to establish a Hawaii Agriculture and Forest Carbon Positive Incentive Program that will keep forest and working lands intact and sequester additional carbon on those lands and to fund the Program with a portion of the revenues generated by the Environmental Response, Energy, and Food Security Tax. The Department of Agriculture ("Department") respectfully opposes this measure.

The Department acknowledges the broad intent and concepts expressed in this measure that is based upon voluntary participation by landowners and farmers. The measure assigns extensive, unfamiliar, and unremunerated responsibilities to the Department that are enumerated from page 6, line 3 to page 7, line 2. The Department will need substantial assistance to develop compensation rates and carbon incentives contract terms, estimating sequestration rates for priority sequestration activities, develop the technical underpinning of compensation rates for sequestration activities, and doing landowner outreach.





The Department notes that the proposed Program is voluntary for now and the Department is responsible for promoting the Program to qualified landowners/lessees. We recommend that this concept be vetted by landowners and farmers/ranchers to gauge demand as participation may require changes in cultivation practices or crop selection. Of particular interest would be their expectations of “fair compensation” for committing to a carbon incentives contract over a to-be-determined period.

The Department’s opposition to this measure is based primarily on the proposal to fund, in part, the Agriculture and Forest Carbon Positive Incentive Program Special Fund (page 9, line 12 to page 10, line 5) from what appears to be the Department’s Agricultural Development and Food Security Special Fund (page 15, lines 12-19). The barrel tax revenues deposited into the Food Security Special Fund (established in 2010) and codified as HRS, Section 141-1(c), has provided the Department with critical funding to ensure food security and maintain departmental mission priorities, such as grants to farmers for agricultural production and processing activities, acquiring agricultural resources and infrastructure, agricultural research, agricultural equipment, plant quarantine inspection, promotion and marketing of agricultural products, water testing, and other activities, all of which are intended to increase agricultural production or processing that leads to increasing food self-sufficiency. A reduction in the amount of barrel tax deposited into the Department’s Food Security Special Fund will cripple our ability to increase the contribution of agricultural production to the State’s economic recovery.

Thank you for the opportunity to comment on this measure



# OFFICE OF PLANNING STATE OF HAWAII

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone: (808) 587-2846  
Fax: (808) 587-2824  
Web: <http://planning.hawaii.gov/>

DAVID Y. IGE  
GOVERNOR

MARY ALICE EVANS  
DIRECTOR  
OFFICE OF PLANNING

Statement of  
**MARY ALICE EVANS**  
Director, Office of Planning  
before the  
**HOUSE COMMITTEES ON CONSUMER PROTECTION AND COMMERCE**  
Wednesday, March 24, 2021  
2:00 PM  
State Capitol  
in consideration of  
**SB 493, SD 2, HD 1**  
**RELATING TO AGRICULTURE.**

Chair Johanson, Vice Chair Kitagawa, and Members of the House Committee:

The Office of Planning offers **comments** on SB 493, SD 2, HD 1. The purpose of SB 493, SD 2, HD 1 establishes the Hawai'i agriculture and forest carbon positive incentive program within the Hawai'i Green Infrastructure Authority.

The Office of Planning **opposes** the recent amendment in the HD 1 which deletes the 15 cents tax on each barrel to be deposited into the Agricultural Development and Food Security Special Fund. This fund, and its existing financing, is extremely necessary to develop Hawai'i's local agricultural industry and food security. This fund is primarily dedicated to providing necessary funding toward multiple existing initiatives, including: acquisitional support, infrastructure financing, equipment, research and testing, agricultural inspections, and water quality testing to financially support local agricultural production and processing activities throughout the state.

The Office of Planning finds this initiative and proposed program to have similar intentions to the existing Greenhouse Gas Sequestration Task Force, attached to the Office of Planning.

The Office of Planning serves as a centralized state agency highly involved in climate change, sustainability, and land use issues through:

- Co-Chairing the Hawai'i Climate Change Mitigation and Adaptation Commission;
- Chairing the Greenhouse Gas Sequestration Task Force;
- Serving on the Natural Area Reserves System Commission;
- Administering statewide land use planning and coordination;
- Administering statewide sustainability planning and coordination; and
- Administering statewide climate adaptation planning and coordination.

Therefore, the Office of Planning recommends **friendly amendments** to add the Office of Planning to page 5, lines 4 and 5; page 6, lines 1, 11, and 12; and page 7, line 2.

By adding the Office of Planning to these sections of the proposed program, OP can more effectively provide the proposed program with information received from the Greenhouse Gas Sequestration Task Force on carbon positive activities that would be eligible for the Hawai'i Agriculture and Forest Carbon Positive incentive program.

Mahalo for the opportunity to submit testimony on SB 493, SD 2, HD 1.

**SB-493-HD-1**

Submitted on: 3/22/2021 9:12:04 PM

Testimony for CPC on 3/24/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ted Bohlen	Climate Protectors Hawai'i	Support	No

Comments:

To: The Honorable Aaron Ling Johanson, Chair,

The Honorable Lisa Kitagawa, Vice Chair, and Members of the

House Committee on Consumer Protection and Commerce

From: Climate Protectors Hawai'i

**RE: SB493 SD2 HD1 RELATING TO AGRICULTURE**

Hearing Date: Wednesday, March 24, 2021, 2:00 pm, by videoconference

Aloha Chair Johanson, Vice Chair Kitagawa, and Consumer Protection and Commerce Committee members:

The Climate Protectors Hawai'i is a group focused on reversing the climate crisis and encouraging Hawai'i to lead the world towards a safe and sustainable climate and future. The Climate Protectors Hawai'i **STRONGLY SUPPORTS SB493 SD2 HD1!**

As a tropical island State, Hawai'i will be among the first places harmed by the global climate crisis, with more intense storms, loss of protective coral reefs, food insecurity, and rising sea levels destroying our shorelines. We must do all we can to reduce our carbon footprint and become carbon negative as soon as possible.

In striving to become carbon negative, it will not be enough to limit greenhouse gas emissions; we must also draw carbon down from the atmosphere. **Substantial sequestration of carbon is needed as well as major greenhouse gas emission controls.**

The purpose of this Act is to establish a Hawai'i agriculture and forest carbon positive incentive program that will keep forests and working agriculture lands intact and sequester additional carbon on those lands. This bill would encourage the sequestration of atmospheric carbon gases by facilitating contracts with landowners and farmers engaging in regenerative agriculture and sustainable forest practices.

It would fund the program with a portion of the revenues generated by the environmental response, energy, and food security tax.

This bill would be a significant step toward reducing atmospheric carbon that is the major cause of the climate crisis.

The Climate Protectors Hawai'i urges you to pass this important bill! Mahalo!

Climate Protectors Hawai'i (by Ted Bohlen)



# Environmental Caucus of The Democratic Party of Hawai'i

---

Tuesday, March 24, 2021, 2:00 pm

House Committee on Consumer Protection and Commerce

SENATE BILL 493 – RELATING TO AGRICULTURE: Carbon Positive Incentive Program/Green Infrastructure Authority

Position: Support, with additional recommendations

Me ke Aloha, Chair Aaron Johanson, Vice-Chair Lisa Kitagawa, and Members of the Committee on Consumer Protection and Commerce:

The Environmental Caucus of the Democratic Party, through its Committee on Energy and Climate Action, are in strong support of SB493, establishing a Hawaii Agriculture and Forest Carbon Positive Incentive Program as part of the larger state initiative toward a regenerative economy. The bill identifies activities qualifying for the incentive program, establishes a special fund from the barrel tax, identifies administrative priorities of the authority, and enlists the assistance of the departments of agriculture and land and natural resources. This well thought-out program functions both to incentivize regenerative land stewardship and to disincentivize continuing use of fossil fuels through an increase in the barrel tax. Moreover, it reaches beyond large landowners to encourage small landowner participation, broadening the democratic nature of its applicability and its sense of aloha 'āina.

Hawaii urgently needs to move forward on these activities:

1. regenerative annual cropping system to include at least four of these practices: compost application; applying cover crops; crop rotation; green manure; no-till or reduced tillage; and “organic” production;
2. improved pasturage;
3. agroforestry;
4. reforestation;
5. protection of forests and shrublands from disturbance; and
6. rotational grazing and improved forage.

The Environmental Caucus recommends that the barrel tax contribution to be deposited in the special fund be set at least 5 cents per barrel, to provide adequate funding, and potentially to consider amending the bill to provide basic administrative funding through this special fund in this period of pandemic-depressed State revenues. The Caucus also strongly encourages support of the Greenhouse Gas Sequestration Task Force, as a highly effective network of ideas, information, and program feedback.

Thank you for the opportunity to address this innovative program.

Co-Chairs Charley Ice and Edward Bohlen, Energy and Climate Action Committee of the Environmental Caucus of the Democratic Party.

# TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: FUEL, Barrel Tax earmark for Hawaii Agriculture and Forest Carbon Positive Incentive Program

BILL NUMBER: SB 493, HD1

INTRODUCED BY: House Committees on Energy & Environmental Protection and Agriculture

EXECUTIVE SUMMARY: Establishes the Hawaii agriculture and forest carbon positive incentive program, and funds it with an earmark on the barrel tax of an unspecified amount.

SYNOPSIS: Adds a new part to chapter 196, HRS, to establish the Hawaii agriculture and forest carbon positive incentive program. The idea of the program is for the administering authority, here the Hawaii Green Infrastructure Authority, to “incentivize carbon sequestration activities through carbon incentives contracts that provide for compensation for eligible activities by program participants.” In other words, it would pay people to undertake activities that are good for the environment.

Amends section 243-3.5, HRS, to add an earmark to the environmental response, energy, and food security tax (also known as the “barrel tax”) to fund the program.

Makes other conforming amendments.

EFFECTIVE DATE: 7/1/2050.

STAFF COMMENTS: The proposed measure would perpetuate the earmarking of barrel tax revenues. Carbon sequestration activities may provide some benefit to the State. But does that justify grabbing a pot of barrel tax money without going through the normal budgeting process that also considers sweltering primary schools, underfunded state pensions, or disaster relief for rain-flooded or lava-burnt counties as well as the economic decimation wrought by COVID-19?

Rather than the continual earmarking of revenues, a direct appropriation of general funds would be preferable. Earmarking revenues from any tax type for a particular purpose decreases transparency and accountability.

We also question whether the Hawaii Green Infrastructure Authority (HGIA) is the appropriate agency to administer this program. It may be a better fit for the state Energy Office or the Department of Agriculture.

Next, it should be remembered that revenues diverted for a special purpose, in this case to fund an environmental incentive program, will not be counted against the state’s spending ceiling or debt limit and will obscure the state’s true financial condition.

Finally, we note that the State Auditor’s Report No. 21-04 analyzed the proposed Hawai‘i Agriculture and Forest Carbon Positive Incentive Program Special Fund in this bill and found

that the fund did not meet the criteria set forth in section 23-11, HRS, for special and revolving funds. The Auditor concluded that there was insufficient information to demonstrate that a special fund was needed to support the proposed program and there was no explanation as to why the program could not be successfully implemented through the general fund appropriation process. We thus request that the Committee consider deleting the special fund.

Digested 3/22/2021

### **Testimony in Support of SB493**

I am writing on behalf of the Kauai Climate Action Coalition to **support** SB493 Relating to Agriculture. Establishing the Hawaii agriculture and forest carbon positive incentive program is an important step to increasing carbon sequestration while also benefitting farmers, local food production, watershed protection and the economy. Thus, this program meets the criteria of being effective in addressing the climate crisis, economically viable, and socially just. It is important, however, that the program be put into place with clear and consistent criteria as soon as possible if it is to have provide a part of the solution to the climate crisis. According to scientists, we must be carbon neutral by 2030 if we are to avoid truly devastating effects of climate change. Please support SB493.

Mahalo,

Helen A Cox, Chair

Kauai Climate Action Coalition



**SB-493-HD-1**

Submitted on: 3/23/2021 1:37:58 PM

Testimony for CPC on 3/24/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
laurel brier	Kauai women's caucus	Support	No

Comments:

Addressing the climate crisis in this way can benefit Hawaii's self sufficiency, economy and natural beauty



**Hawaii Cattlemen's Council, Inc.**  
**COMMITTEE ON CONSUMER PROTECTION & COMMERCE**

Rep. Aaron Ling Johanson, Chair

Rep. Lisa Kitagawa, Vice Chair

**SB493 SD2 HD1**

RELATING TO AGRICULTURE

Wednesday, March 24, 2021, 2:00 pm

Via Videoconference

Chair Johanson, Vice Chair Kitagawa, and Members of the Committee,

The Hawaii Cattlemen's Council **supports the intent of SB493 SD2 HD1** to establish the Hawaii agriculture and forest carbon positive incentive program. Ranchers have been engaging in regenerative practices and improving methods of raising livestock and we appreciate that this measure recognizes that agriculture can be a solution to climate change. Well-managed rangelands contribute to ecosystem services such as carbon sequestration, invasive species removal, water quality, watershed management, and wildfire mitigation as part of a sound business strategy to sustain operation into the future. Ranchers are already doing these practices, and work to continually find best practices as research sheds light on the positive impacts of well-managed rangelands. We support the intent of creating a program in incentivize these practices.

The Hawaii Cattlemen's Council is proud to be part of the Greenhouse Gas Sequestration Task Force, which has been addressing some of these opportunities and allows ranchers to be part of the conservation.

Thank you for the opportunity to testify on this measure.

Nicole Galase  
Hawaii Cattlemen's Council  
Managing Director



The Nature Conservancy, Hawai'i Program  
923 Nu'uuanu Avenue  
Honolulu, HI 96817

Tel (808) 537-4508  
Fax (808) 545-2019  
nature.org/hawaii

**Testimony of The Nature Conservancy  
In Support of SB 493 SD2 HD1, RELATING TO AGRICULTURE.**

**Committee on Consumer Protection and Commerce  
Wednesday, March 24, 2021, 2:00 PM  
Conference Room 329 Via Teleconference**

Aloha Chair Johanson, Vice Chair Kitagawa, and Members of the Committee:

**The Nature Conservancy (TNC) supports SB 493 SD2 HD1**, which would establish the Hawai'i agriculture and forest carbon-positive incentive program.

A Hawai'i agriculture and forest carbon-positive incentive program is vital to support our local producers and reach a carbon neutral clean economy by 2045. Agriculture, Forests, and other Land Uses (AFLOU) are currently the State's only carbon sink. Actively investing in carbon-positive actions such as restoring forests through tree planting, forest protection, and improved management, soil carbon sequestration, improved pasture management, and local organic plant food production are the most effective and efficient ways to mitigate our carbon footprint. Establishing this program will help small land managers to convert to and maintain carbon smart practices to sequester additional carbon on natural and working lands.

The Hawai'i Green Infrastructure Authority (HGIA) is the ideal agency for this program. Through its work financing clean energy infrastructure, HGIA has been actively contributing to the State's efforts in addressing the problem of climate change and can effectively continue this work through this program.

Carbon smart practices will not only sequester carbon but improve soil health protecting agriculture into the future, increase the amount of water that filters into our aquifers, reduced erosion and therefore protecting our reefs from sedimentation and stress and support our local producers and growers.

TNC manages the Kona Hema Preserve, which protects part of an ancient koa-'ōhi'a forest that spans more than 100,000 acres along the leeward coast of the Island of Hawai'i. TNC is developing an Improved Forest Management (IFM) carbon project at Kona Hema to demonstrate a low-impact, carbon smart financing alternative to traditional revenue-generating activities, such as grazing and logging. The Kona Hema carbon project is a first step toward scaling up more sustainable forest management to ultimately protect native forests.

Mahalo for the opportunity to support SB 493 SD2 HD1.

---

*The Nature Conservancy of Hawai'i is a non-profit organization dedicated to the preservation of the lands and waters upon which all life depends. The Conservancy has helped protect more than 200,000 acres of natural lands in Hawai'i and Palmyra Atoll. We manage 40,000 acres in 13 nature preserves and work in over 50 coastal communities to help protect and restore the nearshore reefs and fisheries of the main Hawaiian Islands. We forge partnerships with government, private parties, and communities to protect forests and coral reefs for their ecological values and for the many benefits they provide to people.*

---

BOARD OF TRUSTEES

Duke E. Ah Moo Paul D. Alston (Chair) Kris Billeter Dr. C. Tana Burkert Anne S. Carter Richard A. Cooke III Ka'iulani de Silva  
Dave Eadie Matt Emerson Hon. Judith Epstein Dr. Alan M. Friedlander Benjy Garfinkle James J.C. Haynes III Sean A. Hehir  
Brett MacNaughton Kathy M. Matsui Janet Montag Alicia Moy Dustin E. Sellers Peter K. Tomozawa Richard N. Zwern

**SB-493-HD-1**

Submitted on: 3/23/2021 2:23:21 AM

Testimony for CPC on 3/24/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Janet Pappas	Individual	Support	No

Comments:

Dear CPC Chair Johanson, CPC Vice Chair Kitagawa and CPC Committee members,

I strongly support bill SB493 SD2 HD1 to ensure that Hawaii is doing all it can to reduce our carbon footprint and slow the climate changes that are already wreaking havoc across the globe.

SB493 establishes a Hawaii agriculture and forest carbon positive incentive program to keep forests and agriculture lands intact and sequester additional carbon on those lands. Farmers and foresters will be paid for certain actions that help sequester carbon in the soil. These practices include compost application, cover cropping, crop rotation, green manure, no-till or reduced tillage and organic production.

Taking these actions will help Hawaii reach its climate positive goal. In addition, farmers and foresters will find that other benefits accrue from these regenerative techniques: richer soil, healthier plants, beneficial insects, improved water infiltration and cost savings from using less or no fertilizer or other soil additives.

This bill is a win-win--for Hawaii's farmers and for the climate.

Please support SB493.

Thank you for listening and for this opportunity to testify.

Sincerely,

Jan Pappas - Aiea, Hawaii

**SB-493-HD-1**

Submitted on: 3/23/2021 10:44:53 AM

Testimony for CPC on 3/24/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Hannah Hubanks	Individual	Support	No

Comments:

I strongly support this bill, along with the support of the Department of Agriculture retaining its funds without a cut.

**SB-493-HD-1**

Submitted on: 3/23/2021 1:30:39 PM

Testimony for CPC on 3/24/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Leah Laramee	Individual	Support	No

Comments:

**Aloha Chair , Vice Chair and members of the Committee,**

**As a member of the US Climate Alliance Natural and Working Lands Hawaii Research Team (Team) I appreciate the opportunity to testify on this bill. As you may know the Team worked closely with the US Climate Alliance and American Forests to design this program to address the needs of our natural and working land managers. The team has heard the concerns raised by various departments and is ready and willing to work with them to support them in accomplishing the goals of this program.**

**A Hawaii agriculture and forest carbon-positive incentive program is vital to support our local producers and reach a carbon neutral clean economy by 2045. Agriculture, Forests and other Land Uses (AFLOU) are currently the State's only carbon sink. Actively investing in carbon positive actions such as restoring forests through tree planting, forest protection, and improved management, soil carbon sequestration, improved pasture management, and local organic plant food production are the most effective and efficient ways to mitigate our carbon footprint.**

**Establishing this program will help small land managers to convert to and maintain carbon smart practices to sequester additional carbon on natural and working lands.**

**In the original version of this bill, funding for this program came from an additional allocation from revenues generated by the Environmental Response, Energy, and Food Security Tax. HD1 seems to reallocate funding from the Department of Agriculture (DOA) to fund this program. This reallocation would divert critical funding away from DOA and be counter to the intention of this bill. While I am fully supportive of the establishment of this program it should not be at the expense of other DOA programs or funding. Only 35 cents of \$1.05 Environmental Response, Energy, and Food Security Tax is dedicated directly to environmental response, energy, and food security programs. I respectfully request that full funding be restored to DOA's agricultural development and food security special fund and that a new**

**appropriation be added to fund the Hawaii agriculture and forest carbon-positive incentive program.**

**The Hawaii Green Infrastructure Authority (HGIA) is the perfect place for this program. Through its work financing clean energy infrastructure, HGIA has been actively contributing to the State's efforts in addressing the problem of climate change and can effectively continue this work through this program.**

**Carbon Smart practices will not only sequester carbon but improve soil health protecting agriculture into the future, increase the amount of water that filters into our aquifers, reduced erosion and therefore protecting our reefs from sedimentation and stress and support our local producers and growers.**

**Thank you for the opportunity to comment on this bill.**

**SB-493-HD-1**

Submitted on: 3/23/2021 2:04:11 PM

Testimony for CPC on 3/24/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jamie Barton	Individual	Support	No

Comments:

**Aloha,**

**As a member of the US Climate Alliance Natural and Working Lands Hawaii Research Team I appreciate the opportunity to testify on this bill. As you may know the Team worked closely with the US Climate Alliance and American Forests to design this program to address the needs of our natural and working land managers. The team has heard the concerns raised by various departments and is ready and willing to work with them to support them in accomplishing the goals of this program.**

**A Hawaii agriculture and forest carbon-positive incentive program is vital to support our local producers and reach a carbon neutral clean economy by 2045. Agriculture, Forests and other Land Uses (AFLOU) are currently the State's only carbon sink. Climate smart practices not only reduce GHGs, but also improve soil health and the many related ecosystem services. Actively investing in carbon positive actions such as restoring forests through tree planting, forest protection, and improved management, soil carbon sequestration, improved pasture management, and local food production are the most effective and efficient ways to mitigate our carbon footprint. Establishing this program will help farmers, ranchers and land managers implement carbon smart practices on their lands that help Hawaii reach its carbon neutrality goals.**

**In the original version of this bill funding for this program came from an additional allocation from revenues generated by the Environmental Response, Energy, and Food Security Tax. HD1 seems to reallocate funding from the Department of Agriculture (DOA) to fund this program. This reallocation would divert critical funding away from DOA and be counter to the intention of this bill. While I am fully supportive of the establishment of this program it should not be at the expense of other DOA programs or funding. Only 35 cents of \$1.05 Environmental Response, Energy, and Food Security Tax is dedicated directly to environmental response, energy, and food security programs. I respectfully request that full funding be restored to DOA's agricultural development and food security special fund and that a new appropriation be added to fund the Hawaii agriculture and forest carbon-positive incentive program.**



**Though it may not be the most obvious choice, the Hawaii Green Infrastructure Authority (HGIA) is the perfect place for this program. Through its work financing clean energy infrastructure, HGIA has been actively contributing to the State's efforts in addressing the problem of climate change and can effectively continue this work through this program.**

**Thank you for the opportunity to comment on this bill.**

**SB-493-HD-1**

Submitted on: 3/23/2021 7:22:56 PM

Testimony for CPC on 3/24/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lois Crozer	Individual	Support	No

Comments:

Whatever you think can help us slow down climate change.

**SB-493-HD-1**

Submitted on: 3/24/2021 8:30:36 AM

Testimony for CPC on 3/24/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Steve Parsons	Individual	Support	No

Comments:

Aloha Trusted Lawmakers!

Please vote yes for this bill. A yes vote is a vote for Hawaii's Health and a step in the right direction. A no vote supports delaying action on Climate Change. And the longer we wait the more expensive the solutions get.

Imua>>>>

Steve parsons, Kauai Resident, Wailua

Kauai Climate ACTION Member, Surfrider Foundation Member, EV Kauai Member