

ACT 33

H.B. NO. 1578

A Bill for an Act Relating to Climate Change.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that the State of California and numerous other states and private industries have established carbon credits that polluters buy to offset their carbon emissions. Billions of dollars have been raised by the State of California alone, and many industries are seeking new places to invest these dollars to offset their carbon emissions.

The legislature also finds that local farmers in Hawaii can benefit from additional subsidies and support to grow local agriculture, create jobs, and diversify our economy. Accordingly, the legislature finds that it is in the public interest to establish a basic certification for carbon-negative agricultural practices to allow local farmers to qualify for carbon credit subsidies.

The legislature further finds that agricultural land management practices that sequester carbon could provide greenhouse gas benefits, enhance the sustainability of Hawaii's agricultural lands, decrease sedimentation of the marine environment, improve the climate resistance of Hawaii's agricultural sector, and create new opportunities for local farmers.

The purpose of this Act is to create a carbon farming task force to identify agricultural or aquacultural activities and best practices that provide carbon sequestration benefits that may be used to establish a carbon farming certification.

SECTION 2. For the purposes of this Act:

"Agricultural activities" shall have the same meaning as in section 166-2, Hawaii Revised Statutes.

"Agricultural or aquacultural practices" means management practices for agricultural activities or aquacultural activities.

"Aquacultural activities" shall have the same meaning as in section 166-2, Hawaii Revised Statutes.

"Greenhouse gas benefits" means greenhouse gas emissions source reduction or carbon sequestration.

"Healthy soils" means soils that enhance their continuing capacity to function as a biological system, increase soil organic matter, improve soil structure and water- and nutrient-holding capacity, and result in net long-term greenhouse gas benefits.

"On-farm demonstration projects" means projects that incorporate farm management practices in agricultural activities or aquacultural activities that result in greenhouse gas benefits.

SECTION 3. (a) The carbon farming task force is established within the office of planning for administrative purposes only. The task force shall have the following objectives:

- (1) Identify and study agricultural and aquacultural practices, public land and marine use policies, and on-farm management practices that would increase climate resiliency and improve carbon sequestration in Hawaii;
- (2) Work with public and private stakeholders to establish short- and long-term benchmarks for increasing carbon sequestration in Hawaii's agricultural and natural environment;
- (3) Identify appropriate criteria to measure baseline levels and increases in carbon sequestration, improvements in soil health, and other key indicators of greenhouse gas benefits from beneficial agricultural and aquacultural practices that may be used to create a certification program for promoting agricultural and aquacultural practices that generate greenhouse gas benefits;
- (4) Identify land and marine use policies, agricultural policies, and mitigation options that would encourage agricultural and aquacultural practices and land use practices that would promote increased carbon sequestration, build healthy soils, and provide greenhouse gas benefits;
- (5) Identify ways to increase the generation and use of compost in Hawaii to build healthy soils;

- (6) Identify agroforestry practices that can be used to enhance carbon sequestration in Hawaii; and
 - (7) Make recommendations to the legislature and governor on measures that would increase climate resiliency, build healthy soils, or provide greenhouse gas benefits.
 - (b) In addition to the objectives listed in subsection (a), the task force may consider:
 - (1) Developing incentives and funding mechanisms for these incentives, including but not limited to loans, tax credits, or grants; research; technical assistance; or educational materials and outreach, to participating agricultural activities, aquacultural activities, or on-farm demonstration projects that are identified and approved by the task force as those that would promote greenhouse gas benefits, build healthy soils, sequester carbon, increase water-holding capacity, and increase crop yields; and
 - (2) Providing for research, education, and technical support for agricultural activities and aquacultural activities identified by the task force.
 - (c) The carbon farming task force shall consist of the following:
 - (1) The director of the office of planning or the director's designee, who shall serve as chairperson;
 - (2) The chairperson of the board of agriculture or the chairperson's designee;
 - (3) The deputy director of the department of health's environmental health administration or the deputy director's designee;
 - (4) The director of the office of environmental quality control or the director's designee;
 - (5) The director of the center for island climate adaptation and policy at the University of Hawaii at Manoa;
 - (6) The administrator of the division of forestry and wildlife within the department of land and natural resources or the administrator's designee;
 - (7) One researcher from the college of tropical agriculture and human resources at the University of Hawaii at Manoa;
 - (8) One extension agent from the college of tropical agriculture and human resources at the University of Hawaii at Manoa;
 - (9) Four members; provided that the mayors of Hawaii, Honolulu, Kauai, and Maui counties shall each appoint one member; and
 - (10) Three members to be jointly selected by the president of the senate and the speaker of the house of representatives, of which one member shall be selected from an environmental nonprofit organization, and another member from an agricultural or ranching association.
- Task force members may recommend additional members with appropriate specialized expertise to the task force, for approval by the chairperson.
- (d) Members of the task force shall be exempt from section 26-34, Hawaii Revised Statutes, and shall serve without compensation, but shall be reimbursed for reasonable expenses necessary for the performance of their duties, including travel expenses.
 - (e) The carbon farming task force shall:
 - (1) Submit a preliminary report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2023; provided that the preliminary report shall discuss the objectives and issues listed in subsections (a) and (b), including the following:

- (A) Types of agricultural and aquacultural practices, public land and marine use policies, and on-farm managing practices that would provide greenhouse gas benefits;
- (B) Short-term and long-term benchmarks on how agricultural activities and aquacultural activities can help the State of Hawaii reach carbon neutrality;
- (C) Appropriate criteria that may be used in a certification program to measure baseline levels and increases in carbon sequestration, improvements in soil health, and other key indicators of greenhouse gas benefits from beneficial agricultural and aquacultural practices; and
- (D) Kinds of incentives, grants, research, and assistance that would promote:
 - (i) Agricultural and aquacultural practices to produce greenhouse gas benefits; and
 - (ii) Land and marine use policies and agricultural policies that would encourage agricultural and aquacultural practices and land use practices to provide greenhouse gas benefits; and
- (2) Submit a final report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2025.
- (f) The office of planning shall provide administrative and clerical support required by the task force.
- (g) The task force shall cease to exist on June 30, 2025.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$25,000 or so much thereof as may be necessary for fiscal year 2017-2018 for the purposes of this Act.

The sum appropriated shall be expended by the office of planning for the purposes of this Act.

SECTION 5. This Act shall take effect on July 1, 2017.

(Approved June 6, 2017.)