

Honolulu, Hawaii
APR 27 , 2018

RE: H.B. No. 1986
H.D. 2
S.D. 2
C.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 1986, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE ENVIRONMENT,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to establish and appropriate funds for a Carbon Offset Program to administer revenue realized from the sale of carbon offset credits to be deposited into the forest stewardship fund or invested into projects to improve the State's water infrastructure to mitigate threats to water sustainability due to climate change.

Your Committee on Conference has amended this measure by:

- (1) Tasking the Office of Planning in partnership with the Greenhouse Gas Sequestration Task Force (Task Force) to investigate and establish a Carbon Offset Program, rather



than requiring the Department of Business, Economic Development, and Tourism (DBEDT) in partnership with the Department of Land and Natural Resources to perform these tasks;

- (2) Clarifying that the Carbon Offset Program shall allow proceeds and revenues generated by state departments from sales of offset credits to be deposited into suitable funds particularly for reinvestment to generate further carbon offset credits; provided that the funds are used in accordance with the purposes of the fund;
- (3) Clarifying that the Carbon Offset Program shall allow proceeds from sales of carbon credits to be invested in projects enhancing the State's efforts to mitigate or adapt to climate change;
- (4) Requiring the Office of Planning in partnership with the Task Force to submit a report to the Legislature and the Climate Change Mitigation and Adaptation Commission prior to the 2020 Regular Session;
- (5) Deleting the definitions for the terms "public agency", "state agency", and "forest carbon offset";
- (6) Inserting an appropriation of \$150,000 to be used to investigate and structure the Carbon Offset Program, which shall be expended by the Office of Planning, rather than DBEDT;
- (7) Changing its effective date to July 1, 2018; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

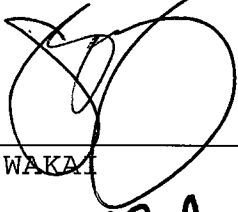
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1986, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1986, H.D. 2, S.D. 2, C.D. 1.




Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE


ON THE PART OF THE HOUSE




GLENN WAKAI
Chair



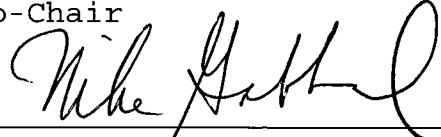
CHRIS LEE
Co-Chair



KARL RHOADS
Co-Chair



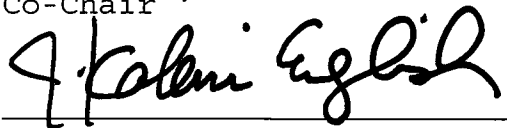
ROY M. TAKUMI
Co-Chair



MIKE GABBARD
Co-Chair



NICOLE E. LOWEN
Co-Chair



J. KALANI ENGLISH
Co-Chair



Hawaii State Legislature
Record of Votes of a
Conference Committee

CCR 165-18

Bill / Concurrent Resolution No.: HB 1986, HD 2, SD 2					Date/Time: 4/27/18 3:56 PM					
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).										
<input type="checkbox"/> The Committee is reconsidering its previous decision.										
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.					
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E	
WAKAI, Glenn, Chr.	✓				LEE, Chris, Co-Chr.	✓				
RHOADS, Karl, Co-Chr.	✓				TAKUMI, Roy M., Co-Chr.	✓				
GABBARD, Mike, Co-Chr.	✓				LOWEN, Nicole E., Co-Chr.	✓				
ENGLISH, J. Kalani, Co-Chr.	✓				TODD, Chris				✓	
					MCDERMOTT, Bob				✓	
TOTAL					TOTAL					
4 0 0 0					3 0 0 2					
A = Aye		WR = Aye with Reservations			N = Nay			E = Excused		
Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					
Senate Lead Chair's or Designee's Signature: 					House Lead Chair's or Designee's Signature: 					
Distribution:		Original <i>File with Conference Committee Report</i>			Yellow <i>House Clerk's Office</i>			Pink <i>Senate Clerk's Office</i>		Goldenrod <i>Drafting Agency</i>