Federal and State of Hawai'i Incentive Programs
For Land Management on Private Lands

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- This chart is intended to facilitate comparison of programs and provide contact information. It is neither complete nor authoritative.
- Some programs provide funding to both State and Private lands.
- Most cost-share programs **reimburse** landowners for a portion of their costs; payments are limited by (a) % or ratio of payment to match, (b) standard rates (caps) for eligible practices or (c) annual or project total maximums.
- Most programs have guidelines for what can qualify as the "match" for the cost-share. Funding from one program usually cannot match funding from another unless one program is non-Federal and the other is Federal.
- Generally, Federal and state cost-share payments need to be reported in tax returns and may or may not be taxable; search for "Cost-Share" in www.timbertax.org or www.timbertax.org/publications/aghandbook/aghandbook.asp

Program name, & Administering Agency	**Purpose of Program**	**Eligibility Criteria**	**Incentives and/or Cost Share Levels**	**Time-Frame**	**Other Requirements**	**Contact**
State of HI Forest Stewardship Program (FSP) *Division of Forestry & Wildlife (DOFAW)*	Complete range of forest management activities, including: conservation, restoration, timber production, and plan development.	Private and privately leased "non-industrial forest landowners" (10-year minimum contract); minimum 5 contiguous acres in the FSP project.	50% cost-share, limited to $75,000/year.	10 years of cost-sharing with a post 10 or more year maintenance period. Minimum 30-year contract if involves timber production.	Pre-proposal and land management plan required; payback provisions may be required for timber harvest. Onus on grantee to obtain any necessary permits, including EA's or CDUP's.	**Sheri S. Mann** (808) 587-4172 sheri.s.mann@hawaii.gov www.state.hi.us/dlnr/dofaw/hfsp
Urban & Community Forestry - locally known as "Kaulunani" *DOFAW* *USDA Forest Service (FS) funds*	Tree-planting in urban and community settings; educational programs; technical tree-care programs; Arbor Day activities.	Public or private lands with public access. No personal landscaping allowed.	Up to 50% cost-share. $10,000/year is standard amount but exceptions are made for special projects.	Usually 1 year.	Must be a non-profit, tree advocacy or civic group, educational institution, and/or local or state government agency	**Teresa Trueman-Madriaga** (808) 672-3383 ttm@hawaii.rr.com www.state.hi.us/dlnr/dofaw/kaulunani
Watershed Partnership Program *DOFAW*	Cooperative projects that benefit on-the-ground activities protecting land for watershed conservation and implementing existing management plans negotiated under the Partnerships.	Landowner must inter into a MOU or agreement adopting the exiting management plan scope.	No mandatory cost-share requirement, but leveraging funds is encouraged.	Year-to-year as funds are available.	EA may be necessary. Onus on grantee to obtain any necessary permits. Reporting necessary.	**Christine Ogura** (808) 587-0058 Christine.s.ogura@hawaii.gov www.state.hi.us/dlnr/dofaw/wpp
Partners for Fish & Wildlife *US F&WS*	(1) Restore natural habitats and provide long-term benefits to threatened and endangered species; or (2) satisfy the needs of wildlife populations on National Wildlife Refuges	Private lands and Hawaiian Homelands	Up to 50% cost-share; technical assistance also provided	10-year minimum commitment	Projects cannot be used to fulfill mitigation requirements Onus on grantee to obtain any necessary permits.	**Benton Pang** (808) 792-9443 http://pacificislands.fws.gov/worg/orghc_partners.html http://partners.fws.gov/pdfs/05partnersgrants.gov.pdf

Safe Harbor Agreements *US F&WS*	Proactive natural resource management to benefit endangered and threatened species.	Private and public lands	Provides regulatory assurances that future property-use restrictions will not be imposed	5-15 year commitment	Activities must meet "net conservation benefit" criteria for species	**Chris Mullen** (808) 792-9400 http://endangered.fws.gov/recovery/harborqa.pdf
Coastal Program *F&WS* VIA DOFAW	Focused efforts in bays, estuaries and watersheds around the U.S. coastlines. The purpose is to conserve fish and wildlife and their habitats to support healthy coastal ecosystems.	Provides funding for 22 high-priority coastal ecosystems. See website for a list of those.	Generally 3 to 1 match.		Projects cannot be used to fulfill mitigation requirements or for land purchase, but funds are available to facilitate purchase i.e. appraisals & due diligence needs. Subject to Yellow Book appraisal and review.	**Chris Swenson** (808) 792-9458 www.fws.gov/coastal/CoastalProgram/ http://ecos.fws.gov/coastal_grants/viewContent.do?viewPage=home
Wildlife Habitat Incentives Program (WHIP) *USDA Natural Resource Conservation Service (NRCS)*	Restoration of unique native habitats, especially for threatened and endangered plant and animal species; priority habitats for Hawaii include native forests.	Private or leased land; state and county lands also eligible	Up to 75% cost share Up to 100% cost-share	5-10 year contract 15-year contract	Primary goal may not be commercial production. Onus on grantee to obtain any necessary permits.	**Gwendolyn S. Gilbert** Phone: (808) 541-2600 Ext. 122 Email: gwen.gilbert@hi.usda.gov **Kent Matsutani** Phone: (808) 541-2600 extension 149 Email: kent.matsutani@hi.usda.gov
Environmental Quality Incentives Program (EQIP) *NRCS*	Priority resource concerns pertinent to forestry include: (1) sedimentation from accelerated erosion; (2) noxious weeds; (3) at-risk species habitat; (4) invasive species	Private or State owned land 5-10+ year lease: cropland, rangeland, pasture, forest, other farm or ranch land	Up to 75% cost-share	3-year cost-share agreements	Applicants must be persons actively engaged in livestock or agricultural [or forest] production Onus on grantee to obtain any necessary permits.	**Shirley Nakamura** (808) 541-2600 Ext. 112 www.hi.nrcs.usda.gov/programs/eqip_and_gswc.html
Clean Water Act Section 319 Grants for *Dept of Health administers funds via EPA*	State Non–Point Source Agencies. Projects focused on reducing non-point source pollution.	State, private, communities, cities, counties, non-profits, etc.	50/50 Cost Share	Generally 24 to 36 months	Priorities vary annually i.e. Could be specific watersheds or streams, etc. Onus on grantee to obtain any necessary permits.	**Hudson Slay** (808) 586-4436 www.epa.gov/owow/nps/cwact.html

Acronyms: EA – Environmental Assessment, CDUP – Conservation District Use Permit, EPA – Environmental Protection Agency

Federal and State of Hawai'i
Land Acquisition Programs

Program Name & Administering Agency	Purpose of Program	Eligibility Criteria	Incentives and/or Cost Share Levels	Time-Frame	Other Requirements	Contact
Forest Legacy Program *DOFAW via FS funds*	Preclude conversion of forestland to non-forest uses.	Private landowner that is a willing seller, currently 75% forested and threatened by development or fragmentation; must fall within designated "Forest Legacy Areas".	Federal funds available to purchase up to 75% of market value of a conservation easement or fee simple acquisition. Carries potential tax benefits.	Permanent	Subject to competitive prioritization at state, regional, and national levels. Requires FSP Plan; may require EA and CDUP. Subject to Yellow Book standard appraisal and review.	**Sheri S. Mann** (808) 587-4172 Sheri.s.mann@hawaii.gov www.state.hi.us/dlnr/dofaw/Legacy
Recovery Land Acquisition *F&WS* Via DOFAW	Acquisition of fee title or conservation easement for protecting habitats essential for recovery of listed species before development or other land use changes impair or destroy key habitat values.	Private land willing seller in support of approved species recovery plans.	75% cost-share	Permanent	Subject to Yellow Book standard appraisal and review. Regionally competitive.	**Craig Rowland** (808)-792-9450 Craig_rowland@fws.gov www.fws.gov/endangered/grants/section6/FY2006/RFP.pdf
National Coastal Wetland Conservation Grant Program *F&WS*	Provides matching grants to States for acquisition, restoration, management or enhancement of coastal wetlands.	Projects are selected based on ranking factors: 1. Consistent with the National Wetlands Priority Conservation Plan; 2. Located in States with dedicated land acquisition programs; and 3. Located in maritime forests on coastal barrier islands.	Program fact sheet – http://ecos.fws.gov/docs/coastal_grants/web/pdf/1135.pdf		Additional ranking include credit to projects benefiting threatened and endangered species, promote partnerships, and support conservation & recovery. Program will not provide grants to support planning, research, monitoring, or construction or repair of structures for recreational purposes.	**Chris Swenson** (808) 792-9458 http://ecos.fws.gov/coastal_grants/viewContent.do?viewPage=home
Habitat Conservation Plan (HCP) Land Acquisition *F&WS* Via DOFAW	Acquisition of land that have important benefits for ecosystems that support listed, proposed and candidate species.	Land must be associated with approved HCPs.	25% of estimated project cost; or 10% when two or more States or Territories implement a joint project	Permanent	Nationally Competitive. Subject to Yellow Book appraisal and review.	Heather Hollis Heather_hollis@fws.gov
Program Name & Administering Agency	**Purpose of Program**	**Eligibility Criteria**	**Incentives and/or Cost Share Levels**	**Time-Frame**	**Other Requirements**	**Contact**

Army Compatible Use Buffers Program Formerly: Private Lands Initiative Program *US Army*	Available for NGO or state/local agency to purchase a portion of land (titles or conservation easements). Helps the Army meet Endangered Species Recovery Act and prevention of future T&E species listings.	Private landowner that is a willing seller near Army lands. Another source of funds should be identified because this program does not provide funds for an entire purchase.	Possible reduced land taxes.	Permanent	Army may use the land for low-impact training.	**John Housein** (410) 436-6465 John.housein@us.army.mil http://aec.army.mil/usaec/natural/natural03a.html
Wetlands Reserve Program *NRCS*	Offers landowners an opportunity to establish long-term conservation and wildlife practices and protection by restoring, and enhancing wetlands on private property.		Provides technical and financial support to help landowners with their wetland restoration efforts.			**Jan Surface** WRP Program Manager (808) 541.2600 Ext. 153 Jan.Surface@hi.usda.gov
Grassland Reserve Program *NRCS*	Participants voluntarily limit future use of the land while retaining the right to conduct common grazing practices; produce hay, mow, or harvest for seed production; conduct fire rehabilitation; and construct firebreaks and fences.	Minimum of 40 contiguous acres. There is no maximum acreage. Private landowners only.	This is a conservation easement in perpetuity. Easement payments for this option equal the fair market value, less the grazing value of the land encumbered by the easement. These values will be determined using an appraisal process.	10 - 30 year agreements	Required to follow a conservation plan developed by NRCS and the participant to preserve the integrity of the grassland. If restoration is determined necessary by NRCS, a restoration agreement will be incorporated within the rental agreement or easement	**Joseph May**, State Range Management Specialist (808) 885-6602 Ext. 102 Joseph.May@hi.usda.gov
Farm and Ranchland Protection Program *NRCS*	Purchase easements or other interests in land from landowners to keep productive farm and ranchland in agricultural uses.	Must be part of a pending offer from a State, tribe, or local farmland protection program; be privately owned; and have surrounding parcels of land that can support long-term agricultural production. Must have a conservation plan for highly erodible land.	Up to 50% cost-share. Possible reduced land taxes.	Permanent	Subject to Yellow Book standard appraisal and review; must be large enough to sustain agricultural production; be accessible to markets for what the land produces; have adequate infrastructure and agricultural support services.	**Paul Scales** (808) 541-2600 Ext. 108 **Mathew Wung** (808) 885-6602 Ext. 106 (Waimea, Hawaii) www.nrcs.usda.gov/programs/frpp/
Coastal and Estuarine Land Conservation Program *National Oceanic and Atmospheric Administration (NOAA)*	Protects coastal and estuarine lands considered important for their ecological, conservation, recreational, historical or aesthetic values.	Coastal states with approved coastal zone management plans or National Estuarine Research Reserves are eligible for CELCP.	Provides states and local governments with matching funds to purchase significant coastal and estuarine lands, or conservation easements on such lands from willing sellers.	Lands purchased are protected in perpetuity.	Title must be held by appropriate state agency.	**Doug Tom** (808) 587-2820 dtom@dbedt.hawaii.gov http://coastalmanagement.noaa.gov/land/welcome.html

State of HI Legacy Land Conservation Fund *DOFAW*	Provides for the acquisition of lands, including easements.	Lands for watershed and habitat protection, parks, coastal area, natural areas, agricultural production, cultural or historical sites, recreation and public hunting	County agency or nonprofit land conservation organization grant recipients must provide match funds of at least 25% of the total project costs.	Permanent	Intended for state agencies, counties, and non-profit land conservation organizations seeking funding to acquire property.	**Molly Schmidt** (808) 586-0921 Molly.e.schmidt@hawaii.gov www.hawaii.gov/dlnr/dofaw/llcp
Natural Areas Partnership Program (NAPP) *DOFAW*	Protection, restoration and enhancement of significant native resources or geological features	Private landowner who is a willing seller with intact native Hawaiian ecosystems, essential habitat for endangered species, and areas within the protective (P) subzone of the Conservation District; applicant may be cooperating entity managing such lands.	Up to 67% cost-share. Possible reduced land taxes.	Permanent dedication through transfer of fee title or conservation easement.	Development of long-range agreements and management plans; requires EA. Onus on grantee to obtain any necessary permits.	**Randy Kennedy** (808) 587-0054 randall.w.kennedy@hawaii.gov www.state.hi.us/dlnr/dofaw/napp

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Federal and State of Hawai'i
Tax Related Incentive Programs

Program Name & Administering Agency	**Purpose of Program**	**Eligibility Criteria**	**Incentives and/or Cost Share Levels**	**Time-Frame**	**Other Requirements**	**Contact**
Tree Farm Designation *DLNR - DOFAW*	Sustained production of forest products in quantity sufficient to establish a business	Private property or minimum 20 year lease	"Right to Harvest" law applies. Land will be taxed based on Agriculture zoning.		Management Plan approved by DLNR Board.	Michael Constantinides (808) 587-4186 www.capitol.hawaii.gov/hrscurrent/Vol03_Ch0121-0200D/HRS0186/HRS_0186-0002.htm
Federal income taxes *Internal Revenue Service*	Planting for timber production	Private enterprises	Deduction or amortization of planting costs - up to approximately $10,000	Amortize over 7 years		www.fs.fed.us/r8/spf/coop/taxation/ www.timbertax.org/
	Timber sales	Private enterprises	Long-term capital gains treatment	Timber held over 1 year	Must establish basis	
Property tax treatment *City & County of Honolulu*	Tree Farming	Private Property or minimum 20-year lease; minimum 10 acres	Agricultural Property Tax Reduction (1-5% of fair market value, depending upon length of dedication)	1, 5 or 10-year dedications	HRS 186 Tree Farm Designation (see above)	Real Property Assessment Division (808) 527-5510 or 5539 www.co.honolulu.hi.us/rpa/chapter_8.pdf Scroll down to page 24 in pdf- "Section 8-7.3 "Dedication of Lands for Agricultural Use"

Agricultural Property Tax **Reduction**	Commercial tree farms	Private property or lease; minimum 5 years acceptable previous agricultural land use; agricultural condominiums not eligible	Tax assessment 50% of fair market value	20-year dedication; 10-year dedications might be allowed for short-rotation tree farms	Tree farm management plan and other information.	Real Property Assessment Division (808) 241-6222 www.kauai.hawaii.gov/Default.aspx?tabid=178
Agricultural Property Tax **Exemption** *Kaua'i County*	Tree farms	Private property or lease; minimum 10 acres; land in urban district not eligible	$1000/parcel/year with a 10 year dedication and $500/parcel/year with a 20 year dedication.	Harvesting must take place 6-25 years after planting		
Agricultural tax rates *Hawai'i County*	Commercial tree farming ("Fast Rotation Forestry" and "Slow Rotation Forestry")	Private property	Agricultural Property Tax Reduction; rates based on crop and productivity	10 year dedication for private land, 5-year dedication for leased land		Real Property Tax Division – Appraiser (808) 961-8354 www.hawaiipropertytax.com Click "Forms & Instructions," then "Miscellaneous," then "Agricultural Use" links
Native Forest Dedication *Hawai'i County (Kauai County was removed from this program in 1999)*	Preservation, restoration, and conservation of native forest (defined as at least 25% tree cover and 60% cover of native forest species)	Private property or lease of at least 20 yrs, minimum 3 acres	Low tax assessments, same as for pasture	20 year agreement to use land as native forest	Forest management plan; written affidavit from recognized forestry professional that restoration plan is likely to succeed within the designated time period	Mike McCall, Wes Takai (808) 961-8260 www.hawaiipropertytax.com Click "Forms & Instructions," then "Miscellaneous," then "Native Forest Dedication"
Property tax treatment *Maui County*	Tree farms (not specifically addressed in Code, but could be considered "crop")	Private property or lease; minimum 5 years' acceptable previous agricultural land use	Tax assessment 50% of fair market value	20-year dedication; 10-year dedications might be allowed for short-rotation tree farms	Petition Director of Finance	Real Property Tax Division (808) 270-7297 http://ordlink.com/codes/maui/index.htm Scroll down to "Article 7. Valuations, then click "3.48.350 Dedicated Lands" links

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Authors:
Katie Friday, United States Department of Agriculture, Forest Service (USDA FS)
Sheri Mann, Hawai'i Dept. Lands & Natural Resources, Division of Forestry and Wildlife (DOFAW)
Steve Smith, Forestry Management Consultants – Hawai'i

Need to review this website to see if any of these incentives belong in the matrix:

Biomass Incentives:
- www.hawaii.gov/dbedt/info/energy/renewable/biomass

- www.eere.energy.gov/afdc/progs/ind_state_incentive.cgi?HI

§237-27.1 Exemption of sale of alcohol fuels. (a) There shall be exempted from and excluded from the measure of the taxes imposed by this chapter all of the gross precedes arising from the sale of alcohol fuels for consumption or use by the purchaser and not for resale.

(b) As used in this section, "alcohol fuels" means neat biomass-derived alcohol liquid fuel or a petroleum-derived fuel and alcohol liquid fuel mixture consisting of at least ten volume per cent denatured biomass-derived alcohol commercially usable as a fuel to power aircraft, sea craft, spacecraft, automobiles, or other motorized vehicles.

(c) The director of taxation shall adopt rules pursuant to chapter 91 necessary to administer this section.