

STAND. COM. REP. NO.

655

Honolulu, Hawaii

FEB 14 , 2025

RE: H.B. No. 1077

H.D. 2

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committees on Economic Development & Technology and
Tourism, to which was referred H.B. No. 1077, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

beg leave to report as follows:

The purpose of this measure is to:

- (1) Authorize the Department of Defense to fund projects that strengthen the State's resiliency against climate change;
- (2) Require the Department of Defense to convene a selection committee to review and recommend projects for Climate Mitigation and Resiliency Special Fund allocation;
- (3) Establish the Climate Mitigation and Resiliency Special Fund;
- (4) Establish the Economic Development and Revitalization Special Fund;
- (5) Increase the Transient Accommodations Tax and allocate a portion of the tax to the two newly established special funds; and

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(6) Appropriate funds into and out of the special funds.

Your Committees received testimony in support of this measure from the Office of the Governor; Office of the Governor Recovery and Resiliency Unit; Hawai'i Climate Advisory Team; Department of Business, Economic Development, and Tourism; Department of Land and Natural Resources; Hawaii Emergency Management Agency; Hawaii Green Infrastructure Authority; Hawaii State Energy Office; Hawai'i Climate Change Mitigation and Adaptation Commission; Office of Planning and Sustainable Development; Kua'āina Ulu 'Auamo; Coalition Earth; Climate Protectors Hawai'i; Hawai'i Ocean Legislative Task Force; Care for 'Āina Now Coalition; The Nature Conservancy Hawai'i and Palmyra; Pacific Whale Foundation; Hawai'i Workforce Funders Collaborative; Hawai'i Lodging & Tourism Association; and five individuals. Your Committees received testimony in opposition to this measure from the Kohala Coast Resort Association; Libertarian Party of Hawaii; Grassroot Institute of Hawaii; Maui Chamber of Commerce; and seven individuals. Your Committees received comments on this measure from the Department of the Attorney General; Department of Taxation; and Tax Foundation of Hawaii.

Your Committees find that the State must increase its funding for efforts that address the impacts of climate change and contribute to economic development and revitalization. Your Committees recognize that designating allocations to the general fund for these purposes may be a more appropriate funding mechanism.

Accordingly, your Committees have amended this measure by:

- (1) Deleting the contents of the measure except for the provisions increasing the Transient Accommodations Tax;
- (2) Allocating portions of the revenue from the Transient Accommodations Tax to the General Fund, instead of the special funds, to be earmarked for projects addressing climate change impacts and advancing economic development and revitalization; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



As affirmed by the records of votes of the members of your Committees on Economic Development & Technology and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1077, H.D. 1, as amended herein, and recommend that it be referred to your Committee on Finance, in the form attached hereto as H.B. No. 1077, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committees on Economic
Development & Technology and
Tourism,



ADRIAN K. TAM, Chair



GREGGORY ILAGAN, Chair



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Bill/Resolution No.: HB 1077 HD	Committee Referral: EEP, ECD/TOM, FIN	Date: 2/12/2025		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
ECD Members	Ayes	Ayes (WR)	Nays	Excused
1. ILAGAN, Greggor (C)	/			
2. HUSSEY, Ikaika (VC)	/			
3. HOLT, Daniel				/
4. TAM, Adrian K.	/			
5. TEMPLO, Shirley Ann	/			
6. TODD, Chris				/
7. MATSUMOTO, Lauren				/
TOTAL (7)	4	-	-	3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				

H5CR 655

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HB 1077 HDI	EFP, ECD / TOU, FIN	02/12/25		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
TOU Members	Ayes	Ayes (WR)	Nays	Excused
1. TAM, Adrian K. (C)	X			
2. TEMPLO, Shirley Ann (VC)	X			
3. HOLT, Daniel				X
4. HUSSEY, Ikaika	X			
5. ILAGAN, Greggor	X			
6. TODD, Chris				X
7. MATSUMOTO, Lauren				X
TOTAL (7)	4	-	-	3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____ 				
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