

STAND. COM. REP. NO.

1112

Honolulu, Hawaii

FEB 28 , 2025

RE: H.B. No. 504  
H.D. 2

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

Madame:

Your Committee on Finance, to which was referred H.B. No. 504, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENVIRONMENTAL STEWARDSHIP,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Amend the Transient Accommodations Tax rate beginning on January 1, 2027;
- (2) Beginning January 1, 2027, require a \$20 Transient Accommodation Tax to be levied per night for each furnishing of transient accommodations in exchange for points, miles, or other amounts provided through a membership, loyalty, or rewards program; and
- (3) Appropriate funds to the Department of Land and Natural Resources for protection, management, and restoration of the State's natural resources.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Mālama-Pūpūkea-Waimea; The Nature Conservancy, Hawai'i and Palmyra; Kauai Climate Action Coalition; Hawai'i Ocean Legislative Task Force; Council for Native Hawaiian Advancement; and numerous individuals. Your

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Committee received testimony in opposition to this measure from the Kohala Coast Resort Association; Grassroot Institute of Hawaii; and Maui Chamber of Commerce. Your Committee received comments on this measure from the Department of Taxation; Hawai'i Tourism Authority; Tax Foundation of Hawaii; Kua'āina Ulu Auamo; Hawai'i Reef & Ocean Coalition; Climate Protectors Hawai'i; Mālama Learning Center; Care for 'Āina Now Coalition; Resources Legacy Fund; Sustainable Coastlines Hawai'i; and numerous individuals.

Your Committee has amended this measure by:

- (1) Clarifying that the appropriation may be used for various environmental stewardship projects;
- (2) Authorizing the Department of Land and Natural Resources to utilize funds for consultants, personnel, contracts, and administrative costs to develop and implement the environmental stewardship projects;
- (3) Requiring the Department of Land and Natural Resources to submit reports to the Legislature on funded projects;
- (4) Establishing a Reimbursable General Obligation Bond Debt Service Special Fund to fund debt service payments on general obligation bonds; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 504, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 504, H.D. 2.



Respectfully submitted on  
behalf of the members of the  
Committee on Finance,



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KYLE T. YAMASHITA, Chair



