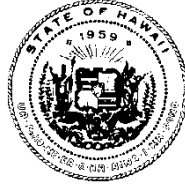


JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



DEAN MINAKAMI
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
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Statement of
DEAN MINAKAMI
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON WAYS AND MEANS

April 03, 2025 at 10:01 a.m.
State Capitol, Room 211

In consideration of
H.B. 504 HD2 SD1
RELATING TO ENVIRONMENTAL STEWARDSHIP.

Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee.

HHFDC **supports** HB 504 HD2 SD1, which amends the transient accommodations tax (TAT) rate beginning on 1/1/2027. Beginning 1/1/2027, it requires collection of a monthly tax of \$20 per passenger per port entry or any commercial passenger vessel at any port facility under the jurisdiction of the Department of Taxation. It also establishes a TAT Enforcement Working Group; requires the transfer of all agricultural leases under the jurisdiction of the Department of Land and Natural Resources (DLNR) to the Department of Agriculture; appropriates funds to DLNR for certain environmental stewardship projects; and requires reports to the Legislature. HHFDC supports the measure so long as it does not adversely impact priorities identified in the Executive Budget Request for FY 2026.

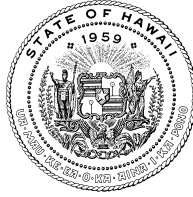
HHFDC agrees that applying the TAT to commercial passenger vessels will level the playing field for all operators of transient accommodations and can provide a critical funding stream for environmental stewardship.

HHFDC respectfully requests the following **amendments** to ensure the bill can be implemented successfully:

Section 8: Identify multiple expending agencies for the appropriation. Given the broad scope of the projects, proposed projects fall under multiple departments' jurisdictions. Relevant departments should be able to expend funds from the appropriation.

Add a section to establish a new special fund for TAT revenues to be deposited into, as opposed to the general fund. This will ensure funds are used solely for their intended purpose.

Thank you for the opportunity to testify on this bill.



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

Senate Committee on Ways and Means

Thursday, April 3, 2025

10:01 a.m.

State Capitol, Conference Room 211, and Videoconference

In Support

H.B. No. 504, H.D. 2, S.D. 1, Relating to Environmental Stewardship

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Senate Committee on Ways and Means:

The Office of the Governor supports H.B. No. 504, H.D. 2, S.D. 1, Relating to Environmental Stewardship. H.B. No. 504, H.D. 2, S.D. 1, amends the Transient Accommodations Tax (TAT) beginning January 1, 2027, and appropriates funds to the Department of Land and Natural Resources (DLNR) for environmental stewardship, climate and hazard mitigation, and sustainable tourism.

Hawaii is experiencing a climate emergency. As an island chain, Hawaii is particularly susceptible to the effects of climate change, such as rising temperatures, prolonged droughts, and increasingly destructive and deadly weather events. These effects impact our natural resources, and significant, continued investment is required to mitigate, adapt to, and increase the State's resiliency to these impacts.

Climate change also threatens Hawaii's resort and tourism areas, which are central to the State's economy. Without proactive investment in climate mitigation, adaptation, and resiliency, Hawaii's tourism industry risks significant economic losses, infrastructure damage, and reduced visitor appeal. By integrating climate adaptation with economic revitalization, the State can safeguard its tourism industry while promoting a more sustainable and resilient future.

The Office of the Governor appreciates the Legislature's appropriation of general revenues for fiscal year (FY) 2025–2026 and FY 2026–2027 for environmental stewardship, climate and hazard mitigation, and sustainable tourism. As the S.D. 1 is written, these revenues are appropriated solely to DLNR. However, these projects fall under the purview of multiple departments. For example, as the State's lead on hazard mitigation and disaster readiness, the Department of Defense is best equipped to implement resiliency and hardening projects, whereas the Department of Business, Economic Development, and Tourism holds great

experience in driving forward destination management initiatives. The Department of Agriculture (DOA) is an expert in protecting and adapting agricultural lands, whereas the Department of Hawaiian Home Lands holds a vested interest in the timely and effective construction of climate-resilient infrastructure that will safeguard its beneficiaries. Therefore, to give projects the greatest chance of success, **the Office of the Governor requests your committees make funding available to multiple departments.** Providing funding to multiple departments, rather than solely to DLNR, ensures that each project is led by the department with jurisdiction over, subject matter expertise on, and vested interest in the specific project, whether relating to environmental stewardship, climate and hazard mitigation, or sustainable tourism.

The Office of the Governor is committed to funding environmental stewardship, climate and hazard mitigation, and sustainable tourism in a manner that minimizes the financial impact to Hawaii residents. To avoid placing an undue financial burden upon residents, the Office of the Governor supports increasing the TAT. The TAT is currently at a statewide minimum of 10.25%. To balance the need to protect our natural resources with the potential impacts an increased TAT would have on the visitor industry, **the Office of the Governor recommends increasing the TAT by 1.0% from 10.25% to 11.25%.** According to the Department of Taxation, this 1.0% increase in the TAT would increase total TAT revenues by 8.9%, generating an estimated \$90 million in additional revenues for FY 2027 and growing to \$100 million in additional revenues for FY 2030.

To ensure these additional TAT revenues are solely available for environmental stewardship, climate and hazard mitigation, and sustainable tourism, the Office of the Governor requests that the additional TAT revenues generated by the increase in TAT be deposited into a special fund rather than the general fund. Because any one legislature is prohibited from obligating a future legislature to appropriate general funds for a particular purpose, continuing to deposit the 1.0% increase in TAT funds into the general fund, as S.D. 1 currently does, rather than into a special fund, does not safeguard funds for environmental, hazard, and tourism projects. To ensure funds are used only for specified purposes, such as environmental stewardship, climate and hazard mitigation, and sustainable tourism, the funds must be deposited into a special fund with specified allowable uses.

Therefore, **the Office of the Governor requests your committees establish a special fund into which 8.9% of total TAT revenues are deposited and the expenditure ceiling of which is allocated as follows: 40% to environmental stewardship, 40% to climate and hazard mitigation, and 20% to sustainable tourism.**

Lastly, **the Office of the Governor suggests an appropriation amount of \$90 million be inserted into section 8 of the bill.** This amount aligns with the amount of revenues a 1.0% increase in the TAT is expected to generate when the increase first goes into effect.

Utilizing increased TAT revenues to fund resiliency and economic development projects would couple visitor impacts to the State's natural and built resources to their continued financial support and longevity. Tourism areas, including our precious beaches and waterfalls, cultural landmarks, and heritage sites, experience significant use due to large numbers of visitors. Everyone must do their part to ensure the health of these resources. For visitors to the islands, this includes supporting Hawaii's places and people, especially those heavily impacted by tourism, through the TAT.

Regarding Part III of S.D. 1, which includes provisions relating to agricultural leases, the Office of the Governor supports the transfer of DLNR's agricultural leases to DOA. However, the Office of the Governor is concerned that the purpose of this part, the transfer of leases, may prove not germane to H.B. 504's purpose of identifying a source of revenue to fund environmental stewardship.

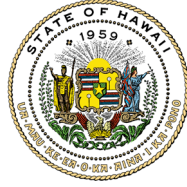
In summary, the Office of the Governor appreciates the intent of this measure and respectfully requests the following amendments.

1. Provide funding to multiple departments for environmental stewardship, climate and hazard mitigation, and sustainable tourism
2. Increase the TAT by 1.0% from 10.25% to 11.25% (section 3)
3. Establish a special fund into which 8.9% of total TAT revenues are deposited and the expenditure ceiling of which is allocated as follows: 40% to environmental stewardship, 40% to climate and hazard mitigation, and 20% to sustainable tourism
4. Insert an appropriation amount of \$90 million (section 8)

Climate mitigation and resiliency are essential to the health, safety, and well-being of Hawaii's islands and people. We must fund projects that will strengthen the State's ability to mitigate and adapt to the impacts of climate change without financially burdening Hawaii's residents, and the Office of the Governor believes that increasing the TAT by 1.0% and depositing the corresponding portion of TAT revenues into a special fund for the financing of environmental stewardship, climate and hazard mitigation, and sustainable tourism will accomplish these dual goals.

The Office of the Governor looks forward to continuing discussions on this bill. Thank you for the opportunity to provide testimony on this measure.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF DEFENSE
KA 'OIHANA PILI KAUA
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STEPHEN F. LOGAN
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KA 'AKUKANA KENELALA

JAMES DS. BARROS
ADMINISTRATOR OF
EMERGENCY MANAGEMENT
KAHU HO'OMALU PŌULIA

STATE OF HAWAI'I
DEPARTMENT OF DEFENSE
HAWAI'I EMERGENCY MANAGEMENT AGENCY

TESTIMONY ON HOUSE BILL 504 HD2 SD1,
RELATING TO ENVIRONMENTAL STEWARDSHIP

BEFORE THE SENATE COMMITTEE ON
WAYS AND MEANS

BY

JAMES DS. BARROS
ADMINISTRATOR
HAWAI'I EMERGENCY MANAGEMENT AGENCY

APRIL 3, 2025

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

Thank you for the opportunity to submit testimony to **SUPPORT** House Bill 504 HD2 SD1.

The Hawai'i Emergency Management Agency supports this bill as it provides crucial funding for resiliency and climate mitigation projects, which are vital for preparing Hawai'i for increasingly frequent and severe climate impacts. HIEMA endorses any initiative that aims to strengthen and bolster the resilience of real properties within the communities of Hawai'i.

By establishing dedicated funds, this measure ensures that the state can take swift and coordinated action to protect communities. This bill will reinforce Hawai'i's ability to prepare for and respond to climate-induced disasters, safeguarding public safety and minimizing future costs from climate-related damage.

This measure prioritizes climate resiliency in economic development projects, further ensuring that the state's infrastructure and tourism industries are better equipped to

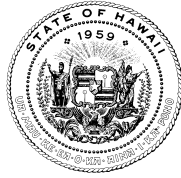
withstand future climate challenges; hence, HIEMA supports this measure, with the understanding that its passage will not negatively impact the priorities outlined in the Executive Budget.

Thank you for the opportunity to provide testimony supporting House Bill 504 HD2 SD1.

James Barros: james.barros@hawaii.gov; 808-733-4300

JOSH GREEN, M.D.
GOVERNOR
STATE OF HAWAII
*Ke Kia'āina o ka Moku'āina 'o
Hawai'i*

SYLVIA J. LUKE
LT. GOVERNOR
STATE OF HAWAII
*Ka Hope Kia'āina o ka Moku'āina
'o Hawai'i*



KALI WATSON
CHAIRPERSON, HHC
Ka Luna Ho'okele

KATIE L. DUCATT
DEPUTY TO THE CHAIR
Ka Hope Luna Ho'okele

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
Ka 'Oihana 'Āina Ho'opulapula Hawai'i

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TESTIMONY OF KALI WATSON, CHAIR
HAWAIIAN HOMES COMMISSION
BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS
DECISION MAKING ON APRIL 3, 2025 AT 10:01AM IN CR 211

HB 504, HD 2, SD 1, RELATING TO ENVIRONMENTAL STEWARDSHIP

April 3, 2025

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) submits testimony in **support with amendments** on this bill which 1) amends the Transient Accommodations Tax rate beginning on 1/1/2027, 2) beginning 1/1/2027, requires collection of a monthly tax of \$20 per passenger per port entry or any commercial passenger vessel at any port facility under the jurisdiction of the department of taxation, 3) establishes a Transient Accommodation Tax Enforcement Working Group, 4) requires the transfer of all agricultural leases under the jurisdiction of the Department of Land and Natural Resources to the Department of Agriculture, 5) appropriates funds to the Department of Land and Natural Resources for certain environmental stewardship projects and 6) requires reports to the Legislature.

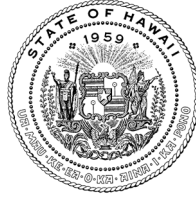
DHHL requests an appropriation of funds in line with the Hawai'i Climate Advisory Team Policy Recommendations on Climate Disaster Resilience, Recovery and Funding (CAT Policy Paper) as DHHL is identified along with DLNR as an appropriate agency to implement thriving environment near-term recommendations. The CAT Policy Paper specifically notes the following: "The Department of Hawaiian Home Lands, which manages over 180,000 acres of non-residential lands and has never been appropriately funded to manage from a conservation and natural disaster prevention lens, must also play a critical role. Second only to DLNR in number of acres managed, DHHL's corpus includes significantly at-risk lands, such as arid environments at high risk for wildfire." The CAT Policy Paper in a footnote further explained that "while the CAT applauds the state for its recent historic funding for DHHL, we also understand that such funds are intended to increase the department's housing supply, and in so doing transition thousands of qualified native Hawaiians from its waitlist to long-term residential leases. In order to reduce extreme weather risk for these communities and the many non-DHHL communities adjacent to DHHL land, the department also requires additional funding and capacity to manage its lands." Information on DHHL's ongoing Wildfire Mitigation Initiatives can be viewed here: <https://dhhl.hawaii.gov/wildfire-mitigation-initiatives/>.

DHHL's General Plan Update that can be viewed here: https://dttl.hawaii.gov/wp-content/uploads/2022/12/221123-DHHL-General-Plan-Final-Draft_Adopted.pdf sets forth the Vision for 2040 as follows: "By 2040, the Hawaiian Home Lands Trust and its beneficiaries will be thriving, self-sufficient, and connected to one another and the 'āina." One of the guiding principles or broad themes that articulate the key values important to beneficiaries, DHHL, and the Hawaiian Home Lands Trust in DHHL's General Plan Update is "Mālama 'Āina: Cultivate reciprocity and shared kuleana to mālama 'āina and kai through providing access to Trust lands for the practice of Hawaiian knowledge, skills and values. Manage and steward Trust lands to sustain health, resilience, and abundance for future generations by obtaining dedicated staff within the Department for natural resource management."

Thank you for your consideration of our testimony.

JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA

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DAWN N.S. CHANG
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BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES
ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Testimony of
DAWN N. S. CHANG
Chairperson

Before the Senate Committee on
WAYS AND MEANS

Thursday, April 3, 2025
10:01 AM
State Capitol, Conference Room 211, and Via Videoconference

In consideration of
HOUSE BILL 504, HOUSE DRAFT 2, SENATE DRAFT 1
RELATING TO ENVIRONMENTAL STEWARDSHIP

House Bill 504, House Draft 2, Senate Draft 1 amends the transient accommodations tax rate beginning on 1/1/2027 to require the collection of a monthly tax of \$20 per passenger per port entry on any commercial passenger vessel at any port facility under the department of transportation. Establishes a Transient Accommodations Tax Enforcement Working Group within the department of taxation, requires the transfer of all agricultural leases under the jurisdiction of the Department of Land and Natural Resources to the Department of Agriculture, appropriates funds to the Department of Land and Natural Resources for certain environmental stewardship projects, and requires reports to the Legislature. **The Department of Land and Natural Resources (DLNR) is providing testimony organized by each section of this measure indicating our support or opposition, respectively. In sum, DLNR strongly supports Parts I, II, and IV of the measure and opposes Part III.**

Testimony on Parts I, II, and IV of this Measure

Hawai'i's natural and cultural resources provide our drinking water, sustain all life on our islands, are significant economic assets and prime attractions of our tourism industry, and support our communities' well-being, health, and identity. A University of Hawai'i study examined the various services provided by O'ahu's Ko'olau forests, including drinking water recharge, flood prevention, water quality, carbon storage, biodiversity, cultural, aesthetic, recreational, and commercial values. These services were calculated to have a net present value of between \$7.4 and \$14 billion. Coral reefs – the first line of defense against large ocean swells – annually protect

and support and estimated \$836 million in averted damages to property and economic activity in Hawai‘i.

Despite the enormous value of our forests and oceans, Hawai‘i invests less than 1% of the total state budget into their protection and management. Without adequate investment, the increasing impacts of climate change, wildfires, invasive species, and overuse threaten to erode the assets that sustain our economy and communities.

Increased tourism-related taxes and fees have allowed places like the Republic of Palau, the Galapagos Islands, New Zealand, and the Maldives to place more significant investment in their natural resources, reducing the overall impact of tourism on their environments, improving the quality of visitor experiences, and supporting community stewardship of these unique places. Many visitors and residents do not mind paying a fee if they know it goes back to caring for the beautiful places and resources they have come to enjoy.

In 2001, DLNR conducted a study to determine Hawai‘i’s willingness to support increased funding for watershed protection. Respondents were presented with various means of raising the increased funds (general funds, taxes, or fees). 74% supported using environment-related fees, and 80% supported a visitor-related fee.

DLNR supports directing general funds to advance projects that address climate change to close the funding gap for managing Hawai‘i’s natural resources. For the next two fiscal years (FY26 and FY27), the Department has identified \$360,103,146 in operating costs and \$81,485,000 in capital improvement projects (CIP) that would directly support environmental stewardship, hazard and climate mitigation and sustainable tourism initiatives. These include watershed protection, wildfire prevention, invasive species control, coastal resilience, and infrastructure improvements to enhance visitor experiences while minimizing environmental impacts. For example, our Division of Forestry and Wildlife’s [interactive story map^{\[1\]}](#), highlights over 80 projects that would benefit from such funding. The Department is eager to collaborate with agency partners, including the Hawai‘i Tourism Authority, to implement these critical projects.

DLNR strongly supports Parts I, II, and IV of this measure. These Parts of the bill represent a proactive approach to climate resilience, disaster mitigation, and resource conservation that will benefit residents and visitors alike. Investing in Hawai‘i’s natural capital is not an option; it is necessary to protect our future.

Testimony on Part III of the Measure

DLNR opposes Part III of this measure. It is inconsistent with the purpose and intent of increased environmental funding. Part III of the bill would amend 2003 Haw. Sess. Laws Act 90 (Act 90) by legislatively transferring agricultural leases from the Department to the Department of Agriculture (DOA) without mutual agreement and without approvals by the Board of Land and Natural Resources (BLNR) and the Board of Agriculture (BOA).

In 2021, the Legislature published the [Act 90 Working Group Final Report Transmission - signed.pdf](#), which finds that “*certain agricultural lands under DLNR have multiple management objectives, which can include agricultural production, forestry, native forest restoration,*

watershed protection, habitat conservation, public recreation, fire fuel suppression, and other public purposes which clearly fall within DLNR's purview and mission. These multiple-use lands should remain under DLNR's management." HB504, House Draft 2, Senate Draft 1, contradicts the recommendations of this report by mandating that these "agricultural leases" (not lands) be transferred to DOA.

This section of the bill would also affect leases as well as other land dispositions where the lessee and DLNR have approved a mutually agreeable subdivision of the lands between forested areas more appropriately managed by DLNR and agricultural areas more appropriately managed by DOA. For example, Kapapala Ranch proposed to the DLNR that 7,000 acres of the approximately 31,767 acres under their leases or permits be retained by DLNR as a Forest Reserve, with the remainder transferred to DOA. This 7,000-acre area has closed-canopy koa forests, endangered species habitat, and large expanses of a'a lava unusable for ranching. The BLNR has approved the withdrawal of this part of the lease to be set aside by the Governor as a Forest Reserve. However, the survey and subdivision must occur before the lease withdrawal. DLNR has completed the survey and posted the subdivision application, but the County subdivision process has not been completed. A mandate to transfer would inadvertently transfer this 7,000-acre tract of important native forest to the DOA, even though both the lessee and the DLNR agree that this land is most appropriately managed by DLNR. DLNR has expended approximately \$250,000 to survey the subdivision.

In the testimony for SR118 and HB1323, DLNR has provided detailed accounts of the substantial work the Department has recently conducted to resolve Act 90 issues in a mutually agreeable fashion and the considerable compromises that DLNR has made to transfer lands that it initially sought to retain. DOA and DLNR have been implementing Act 90 since its adoption, which is reflected in the transfer of about 20,000 acres to DOA (and another 20,000 acres to the Agribusiness Development Corporation) before 2023. Beginning in 2023, DLNR worked expeditiously with DOA to implement additional transfers. For example, both the BLNR and the BOA approved the transfer of the K.K. Ranch, Inc. lease and the Kapapala Ranch lease and its two related revocable permits on the island of Hawai'i to BOA in 2023. The transfer of the K.K. Ranch, Inc. lease (5,106 acres) is complete. Survey and subdivision work is ongoing to complete the transfer of the Kapapala Ranch lease and revocable permits. The combined area of the Kapapala Ranch lease and revocable permits approved for set aside to DOA is an additional 24,767 acres.

In 2024, the BLNR approved another 40 leases and revocable permits on Maui and Hawai'i islands for transfer to BOA. The set-asides of four leases and two revocable permits on Maui with a combined area of 165 acres were completed in 2024. The set-asides of seven Hawai'i island leases covering 907 acres were completed in early 2025, and additional transfers are in process. When all the transfers approved by BLNR and BOA in 2023 and 2024 are completed, the total acreage transferred to BOA under Act 90 since 2003 will be approximately 56,450 acres.

There are 10 additional leases and revocable permits on Hawai'i island that DOA requested be transferred in 2024, but that DLNR has not yet presented to the BLNR for consideration because DLNR's Division of Forestry and Wildlife (DOFAW) wants to reserve access or public hunting

rights over the lands or portions of them before transfer to DOA. These 10 cases will require negotiations with the lessees/permittees and determination of access and hunting areas. DLNR intends to present the transfer requests for these leases and revocable permits to the BLNR in 2025. Additionally, one lease on Maui and three revocable permits on Kaua'i still require BLNR approval to transfer.

Further, there are four large pasture leases on Hawai'i island where the lessees have requested transfer to DOA, and at its meeting on January 28, 2025, BOA approved the transfer to DOA. Of these four leases, DOFAW is agreeable to transferring one of them, wants to retain another lease, and proposes to transfer portions of the other two leases while retaining portions at DLNR due to the resource value and potential for reforestation of the retained areas. For the two Hawai'i island leases DOFAW has proposed to split, the lessees have accepted DOFAW's proposal and have met with DOFAW regarding possible silvo-pasture projects. There are two other large pasture leases (one on Maui and one on Hawai'i island) and three smaller pasture revocable permits on Kaua'i where the lessees/permittees have requested transfer to DOA, but BOA has not yet approved for transfer. DOFAW wants to retain the two leases but is agreeable to the transfer of the three Kaua'i revocable permits. The foregoing information is summarized in the table below:

Leases Requested to be transferred (*indicates BOA approval to transfer on 1/28/25)	Lessee	TMK	Total acreage	Acreage DLNR seeks to retain	Acreage DLNR supports transfer to DOA
GL4477*	S.C. Ranch Co., Inc.	(3) 4-3-010:008	7,042	1,064	5,978
GL4478*	Boteilho Hawaii Enterprises, Inc.	(3) 4-3-010:002	5,705	856	4,849
GL4472*	Ernest DeLuz Ranch, LLC	(3) 4-2-008:002	1,902	0	1,902
GL4473*	Ernest and Marian DeLuz	(3) 4-1-006:007	3,110	3,110	0
GL4476	Freddy Nobriga Enterprises, Inc.	(3) 2-6-018:001	4,534	4,534	0
GL5276	Diamond B Ranch, LLC	(2) 1-8-001:003	1,565	1,565	0
RP7770/7790/7466	Lincoln Y.T. Ching	(4) 4-5-015-029	68	0	68

		(4) 4-5-015:010 (4) 4-5-015:017			
	Total		23, 926	11,129	12,797

The DLNR Chair will continue to work personally with the ranchers to find mutually acceptable lease terms, and at the Chair's direction, DLNR staff is prioritizing fulfillment of Act 90.

A bill to mandate the transfer of these lands is contrary to the intent of Act 90 and would result in the loss of careful and thoughtful consideration to the efforts that DLNR and DOA have already invested in managing and designating these lands. DLNR would not be able to actively protect the public trust resources on these lands, some of which are of low value for agriculture production yet highly valued for natural and cultural resources. DLNR respectfully requests the opportunity to continue to mutually agree with DOA to transfer and accept certain agricultural lands, protect our public trust resources and state control over public lands, work with the long-time pasture lessees to honor and respect their ranching heritage and protect and preserve the valuable forest lands for watershed protection, forest restoration, critical habitat and access to traditional and customary practices. For additional information, see the attached flyer on Multi-Use Pasture Lands Critical to DLNR Mission.

State agricultural lands are public trust or ceded lands where the Office of Hawaiian Affairs would be entitled to its pro rata share of rental proceeds and, therefore, public trust duties and responsibilities run with the land. The managing agency or board (BOA) should be bound by the same public trust fiduciary duties and obligations as the BLNR in managing ceded lands under its jurisdiction.

While we recognize that the ranching lessees have been good stewards of these public trust lands that support their livelihoods, DLNR's responsibility transcends individual leases. Our responsibility is to ensure that public trust lands are protected and preserved for watershed protection to ensure clean drinking water, protection of valuable cultural and natural resources like koa and 'ōhi'a forests, and accessibility for public hunting and recreation. We strongly urge the deletion of Part III of the bill and the passage of Parts I, II, and IV.

Mahalo for the opportunity to testify on this measure.

^[1] See <https://arccg.is/0GOFL10>



SUMMARY

DESCRIPTION

EXPECTED BENEFITS





LEGISLATIVE PROPOSALS

The Act 90 Working Group recommends DLNR receive flexibility under Chapter 166E, HRS to amend, extend, and issue new leases by negotiation. The perceived need to transfer pasture leases to the DOA can be relieved by providing the DLNR with statutory powers similar to DOA's, facilitating long-term tenure and stability for ranchers.



PASTURE LAND CONSERVATION VALUES



Water



Fire & Forest Health



Native Ecosystems



Forestry



Recreation

DLNR PARTNERSHIPS WITH RANCHERS

CLIMATE CHANGE AND CARBON NEUTRALITY



CONTACT PERSON

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION

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GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 504, H.D. 2, S.D. 1, Relating to Environmental Stewardship.

BEFORE THE:

Senate Committee on Ways and Means

DATE: Thursday, April 3, 2025
TIME: 10:01 a.m.
LOCATION: State Capitol, Room 211

Chair Dela Cruz, Vice-Chair Moriwaki, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding H.B. 504, H.D. 2, S.D. 1, for your consideration.

Section 2 of H.B. 504, H.D. 2, S.D. 1, amends section 237D-1, Hawaii Revised Statutes (HRS), to expand the definition of "transient accommodations" to include the furnishing of cabins and staterooms in commercial passenger vessels.

Section 3 amends section 237D-2, HRS, which imposes and sets the rates for the transient accommodations tax (TAT). The bill amends the TAT rate on transient accommodations to an unspecified amount starting on January 1, 2027, and amends the TAT rate on resort time share vacation units to an unspecified amount beginning on January 1, 2027. The bill further amends the allocation to the mass transit special fund to an unspecified amount.

Additionally, section 3 of the bill imposes a TAT of \$20 per passenger, per port entry on any commercial passenger vessel at any port facility under the jurisdiction of the Department of Transportation beginning on January 1, 2027.

Part II, section 4 of the bill establishes a transient accommodations tax enforcement working group to assess best practices for enforcing the TAT and develop

mechanisms to ensure collection from all applicable transient accommodations. The working group will be required to submit a report of its findings and recommendations, including proposed legislation, to the Legislature no later than 20 days prior to the convening of the 2026 Regular Session.

H.B. 504, H.D. 2, S.D. 1, has a defective effective date of July 1, 3000.

DOTAX notes the proposed \$20 per-passenger fee would require changes to the TAT reporting requirements and forms for commercial passenger vessels. Accordingly, DOTAX requests that the measure become effective no sooner than January 1, 2026.

Thank you for the opportunity to provide comments on this measure.



Hawai'i Climate Advisory Team

To: Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair
Senate Committee on Ways and Means

From: The Climate Advisory Team
HB504, HD2, SD1 - Relating to Environmental Stewardship - In Support
Thursday, April 3, 2025, 10:01 a.m., Conference Room 211 & Videoconference

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

Mahalo for the opportunity to testify in **support** of HB504, HD2, SD1 relating to environmental stewardship. As members of the Governor's Climate Advisory Team (CAT), we believe the state must invest in bold actions to prepare for, mitigate, and adapt to the adverse impacts of disasters, which are increasing in severity and frequency with climate change. This bill takes an important step in that direction by establishing a mechanism to fund the critical resilience work that must be done to protect our state in the face of extreme disasters.

The CAT is a volunteer group, convened by Governor Green to develop community-informed policy recommendations to help make Hawai'i more resilient to natural disasters. The CAT published its findings and recommendations in a [policy paper](#) in January 2025. **The CAT's top priority recommendation is for the state to establish dedicated revenue sources that ensure long-term funding for resilience projects. It is also a top priority of the Governor's administration for the 2025 legislative session.** Increasing the Transient Accommodation Tax (TAT) and directing those funds towards resilience projects is an important step the state can take to protect residents, businesses, infrastructures, and communities from the known devastation of disasters.

We support the intent of HB504, HD2 in that it would establish a funding mechanism to raise TAT revenues and direct some of those funds towards climate mitigation and resiliency work. The CAT respectfully requests the committee consider the following amendments:

- **Expand how the funds are used to include projects that strengthen the state's built environment**, which is at increased risk of destruction from climate-related disasters. Just as the tourism industry depends on Hawai'i's natural resources, it also depends on our built environment resources including bridges, transit, ports, and water systems.
- **Designate a special fund into which the additional TAT revenues are deposited.** We respectfully request the revenues from the increased TAT be deposited into a special fund rather than the general fund to safeguard funds for projects that address climate impacts, promote sustainable tourism models, and protect the State's natural resources.



Hawai'i Climate Advisory Team

- **Remove Part III of the bill requiring all Department of Land and Natural Resources agricultural leases to be transferred to the Department of Agriculture.** This recent addition to the bill does not have a clear nexus with the rest of the bill's content or purpose.

Increasing the TAT by 1.0%, from 10.25% to 11.25%, would generate an estimated \$90 million in additional revenues for FY2027 and \$100 million for FY2030. This would provide a substantial and consistent funding stream for disaster resiliency initiatives while minimizing any direct financial hit to residents and the most vulnerable populations of our state. While the stability of this revenue source is closely tied to visitor numbers which can vary, it is also tied to visitor impacts on the environment and our state's built infrastructure.

In the CAT's policy paper, we make several recommendations for climate mitigation and resiliency work that urgently requires coordinated action and funding by the state. These are specific areas where revenues generated by the TAT increase should be directed to address the most pressing disaster-related threats we face:

Environmental Resilience Projects:

- **Wildfire Risk Reduction:** Perpetual management of high-fire-risk vegetation to remove invasive grasses, bushes, and trees; replacing invasive-dominant areas with thriving native ecosystems; restoration and management of healthy forests; environmental stewardship of watersheds and streams to create and capture rainfall, recharge aquifers and reduce fire risk.
- **Hurricane and Tsunami Damage Mitigation:** Beach and dune conservation; coral reef management, stewardship, and restoration; fishpond restoration and stewardship of coastal wetlands that buffer communities from risk; restoration and management of native coastal vegetation and dunes; prevention of overgrowth of albizia and other high-risk trees that can topple onto homes, roads, and utility infrastructure.
- **Minimize Flooding Risk:** Management of healthy native watersheds and stream buffers to absorb rainwater, slow the speed and volume of runoff, and decrease flooding; vegetation management and maintenance of permeable surfaces to continue runoff absorption and slow flows; restoration of lo'i kalo and 'auwai systems; establishment or maintenance of natural retention areas in high-pavement or high-risk areas.

These critical investments will strengthen our environment as our first line of defense against disasters. Environmental resiliency work in other states like California has been found to reduce wildfire risk and significantly reduce the cost of recovery when disasters do occur. Please see [Section 3.3 of the CAT's Policy Recommendations on Climate Disaster Resilience, Recovery and Funding](#) for more information, and summaries of dozens of environmental resilience projects that need funding [from the Department of Land and Natural Resources](#) (DLNR).



Hawai'i Climate Advisory Team

Other projects funded by the Climate Mitigation and Resiliency Special Fund should be directed towards increasing the resilience of Hawai'i's communities and infrastructure. A tremendous amount of work is already underway by communities and homeowners themselves to enhance their own readiness, but more financial, organizational, and planning support from the state is needed to accelerate these efforts. Some of these initiatives have been proposed in separate legislation this session and could be funded with the TAT increase. These priority areas for community and built environment resilience are:

- **Establish a Home Retrofit Program:** Create a home retrofit grant program modeled after the Strengthen Alabama Homes program to fortify residential structures against wind damage.
- **Promote Community Resilience Through Pre-Disaster Education and Coordination:** Organize an annual conference focused on disaster prevention, preparation, and education to bring together experts, local leaders, and community members to develop coordinated strategies to face disasters.
- **Promote Resilience Hubs:** Support resilience hubs across our communities through state funding for community-driven efforts to develop hubs and subsidize ongoing operations.
- **Upgrade Emergency Communications:** Upgrade emergency communication systems and processes.

Hawai'i's tourism industry depends on our state's land, infrastructure, and natural resources. If we don't act now to preserve our state's precious resources and protect our islands from future disasters, the tourism industry is likely to feel significant impacts. Investing now to protect our environment and local communities from the devastating impacts of climate-related disasters will help ensure Hawai'i remains a desirable travel destination for visitors. The proposed increase to the TAT to fund statewide resiliency is fair because it accounts for the visitor industry's impact on state resources and avoids added financial burdens on our most vulnerable residents.

Thank you for the opportunity to testify before your committee and provide comments on HB504, HD2, SD1.

With aloha,

The Climate Advisory Team



TESTIMONY OF
CAROLINE ANDERSON
Interim President & CEO
Hawai'i Tourism Authority
before the
SENATE COMMITTEES ON WAYS AND MEANS

Thursday, April 3, 2025
10:01 a.m.
State Capitol, Room 211

In consideration of
HB 504 HD 2 SD 1
RELATING TO ENVIRONMENTAL STEWARDSHIP

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

The Hawai'i Tourism Authority (HTA) offers comments with support on HB 504 HD 2 SD 1, which amends the transient accommodations tax (TAT) rate of January 1, 2027 and beginning January 1, 2027, requires collection of a monthly tax of \$20 per passenger per port entry or any commercial passenger vessel at any port facility under the jurisdiction of the Department of Taxation. It also establishes a Transient Accommodation Tax Enforcement Working Group. Furthermore, it requires the transfer of all agricultural leases under the jurisdiction of the Department of Land and Natural Resources to the Department of Agriculture. It also appropriates funds to DLNR for certain environmental stewardship projects. It sets the effective date to July 1, 3000.

Several bills in this legislative session propose increasing the TAT for specific purpose funds or to support the work of non-tourism state agencies. It is important to have the nexus to tourism and ensure that funding is directed towards tourism marketing, destination management, infrastructure improvements in visitor areas, and natural resource areas frequented by visitors.

HTA has collaborated with the Department of Land and Natural Resources and has identified tourism-related environmental stewardship projects that should be funded by TAT revenue generated from visitors. Additionally, HTA will continue to engage with community and industry stakeholders to gather input on future projects that align with the desired nexus to tourism.

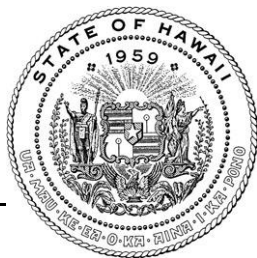
This collaboration will help preserve Hawai'i's natural resources while enhancing the visitor experience for both malihini and kama'āina. Many sustainable tourism projects are needed. Examples of projects that should be funded include but are not limited to:

- Construction of trailheads and parking improvements to manage and reduce congestion at popular sites
- Improvements at boat harbors for enhanced recreational and commercial use
- Implementation of management plans that can provide alternative destinations for visitors and alleviate crowding at other popular sites
- Establishing local stewardship programs to manage trails or parks
- Beach nourishment or coastal restoration at popular beaches
- Community-driven management of marine areas
- Carrying Capacity studies in marine-managed areas
- Education and outreach promote sustainable tourism
- Installation of interpretive signage

While we understand the intention behind raising the TAT and the collection of a monthly tax of \$20 per passenger per port entry or any commercial passenger vessel at any port facility, we caution that such tax increases should not create barriers to travel but provide a positive and competitive business environment [HRS 201B-3(a)(17)].

Furthermore, charging an accommodation tax or fee may violate the Tonnage Clause of the United States Constitution. The Tonnage Clause (Article 1, Section 10, Clause 3) prohibits any fees from being imposed unless they directly support the vessel and its operations. Since the accommodation tax applies to cruise cabins and the proceeds are allocated to the Tourism and Accommodation Tax (TAT) collection for sustainability efforts, this does not provide direct support for the vessel. Therefore, it might violate federal law.

Mahalo for the opportunity to share our comments on HB 504 HD2 SD1.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKAI

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

JAMES KUNANE TOKIOKA
DIRECTOR

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DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
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Statement of
JAMES KUNANE TOKIOKA
Director

Department of Business, Economic Development, and Tourism
before the

SENATE COMMITTEE ON WAYS AND MEANS

Thursday, April 3, 2025
10:01 AM
State Capitol, Conference Room 211

LATE

In consideration of
HB 504, HD2, SD1
RELATING TO ENVIRONMENTAL STEWARDSHIP.

Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee:

DBEDT supports HB504, HD2, SD1, which provides critical funding for environmental stewardship, hazard mitigation, and sustainable tourism—all of which are essential to safeguarding Hawai'i's natural resources and economic future.

While we support the intent of this measure, we respectfully request the following amendments to ensure its successful implementation:

1. Appropriations to Multiple Departments

Given the broad scope of the projects, we request funding be made available to multiple departments to execute projects within their purview. Agencies involved in project identification are best suited for execution, ensuring efficiency and accountability.

2. Insert a Section to Establish a New Special Fund Which TAT Revenue Shall Be Deposited Into

We propose directing additional TAT revenues to a special fund instead of the general fund, ensuring funds are used solely for environmental stewardship, hazard mitigation, and sustainable tourism. We continue working with B&F on refinements and welcome further collaboration.

DBEDT's Role and Sustainable Tourism Priorities

Hawai'i's economy is intrinsically linked to its environment and cultural resources. Without proactive stewardship, the economic benefits of tourism may be overshadowed by the long-term costs of environmental degradation and climate-related disasters.

Within the sustainable tourism space, DBEDT envisions utilizing funds from HB504, HD2, SD1 for initiatives that:

- Implement destination management strategies that balance visitor impacts with community well-being.
- Invest in infrastructure upgrades that mitigate coastal erosion, rising sea levels, and other environmental threats to tourism-dependent regions.
- Expand regenerative tourism programs that directly reinvest in conservation efforts, leveraging visitor contributions to restore and protect forests, reefs, and watersheds.
- Promote eco-friendly tourism models, encouraging carbon offsets, sustainable lodging, and circular economy practices to reduce tourism's footprint.

These initiatives align with broader policy recommendations for disaster resilience and sustainable economic growth, as outlined in recent executive summaries and climate advisory reports.

HB504, HD2, SD1 represents a critical investment in Hawai'i's environmental and economic resilience. By implementing the proposed amendments, we can maximize efficiency, accountability, and impact, ensuring that funds support long-term sustainability rather than short-term fixes.

Mahalo for the opportunity to testify. DBEDT looks forward to continued collaboration to strengthen Hawai'i's economic and environmental future.

Testimony for HB504 HD2 SD1, Relating to Environmental Stewardship

Senate Committee on Ways and Means Committee

March 31, 2025

Aloha Chair Dela Cruz, Vice Chair Moriwaki and members of the committee,

Norwegian Cruise Line Holding Ltd (NCLH) is respectfully **opposed** to the language which was amended at the eleventh hour into bill HB504 HD2 SD1 relating to environmental stewardship.

Norwegian Cruise Line is the only cruise line that offers a year-round itinerary in Hawaii with its U.S. Flagged cruise ship, the Pride of America. This home-ported year-round ship, sailing since the early 2000s, brings many positive benefits to both visitors and the maritime industry as a whole. These benefits extend through multiple channels including airports, harbors, local provisions, stevedoring, security personnel, tugboat operators, ground-handlers, and tour operators, while also employing over 900 crew members onboard who each pay state taxes.

NCLH supports environmental sustainability in all destinations we visit worldwide and has a comprehensive and robust shipboard program across the fleet focused solely upon environmental sustainability. Well aware that Hawaii has a fragile ecosystem, we truly understand the need to protect its natural and cultural resources, and carefully manage it for both current and future generations to enjoy.

This bill, in its amended form has added a cruise ship cabin or stateroom to the definition of a “transient accommodation” and a “commercial passenger vessel” as lodging that is regularly furnished to transients. With this definition, section (f) was added to levy a \$20 per passenger, per port fee to be collected and accrued into the special fund for sustainability.

Currently, various passenger and port-related charges are imposed on cruise ship visits as they visit each port in their itinerary. A “Passenger Fee” of \$15 per passenger in Honolulu and \$8 in all other commercial ports are already imposed, along with fees for dockage, port entry, and wharfage, and are paid by the cruise lines and passengers for their use of the state’s commercial harbors. For a current sailing on the US-flagged Pride of America, passengers presently pay \$57 per person in passenger fees per voyage. The bill in its proposed form would increase this to \$157 per passenger for a 7-day itinerary, in addition to other fees for harbor usage, general excise tax and other applicable charges. As Pride of America hosts many families onboard, the cost of a 7-day cruise for a family of 4 would be \$628 in taxes alone up from \$228, a 175% increase in fees! With such a significant increase in taxation, it is doubtful whether the company could continue to fill its cabins and continue to contribute to the local economy in the same manner which we do today.

However, the most troubling issue related to this amendment is that it is a clear violation of the Tonnage Clause in the United States Constitution. This clause provides that “[n]o State shall, without the Consent of Congress, lay out any Duty of Tonnage.” This clause explicitly prohibits non-federal governments from imposing any tax or fee that serve as a charge for the privilege of entering, staying in, or conducting trade in a port. The United States Supreme Court has consistently ruled that such fees are only permissible when they are specifically designed to cover the reasonable costs of direct services provided to the vessel itself.

The amendment in HB 504 HD2 SD1 enacts precisely the type of charge prohibited by the Tonnage Clause. It imposes a fixed per passenger, per port entry fee, irrespective of any service rendered to the vessel. The fee is solely applied based on the vessel’s presence in a port and in no way supports services related to the vessel.

In addition to the above HB 504 HD2 SD1 contravenes federal statutory law. In 2002, Congress codified the principles of the Tonnage Clause through 33 U.S.C. § 5(b)(2). This statute reads:

“No taxes, tolls, operating charges, fees, or any other impositions whatever shall be levied upon or collected from any vessel or other water craft, or from its passengers or crew, by any non-Federal interest... except for... reasonable fees charged on a fair and equitable basis that—(A) are used solely to pay the cost of a service to the vessel or watercraft; (B) enhance the safety and efficiency of interstate and foreign commerce; and (C) do not impose more than a small burden on interstate or foreign commerce.”

Each of the above three requirements MUST be satisfied for a state or locality to lawfully impose a fee. This bill does not pass any of the three tests as it is written. In reference to (A) the fee is not used “solely to pay the cost of a service to the vessel,” but instead funds broad environmental projects with no relation to vessel operations; (B) the tax does not “enhance the safety and efficiency” of maritime commerce, rather, it introduces a considerable cost to itineraries operating in Hawaii; and (C) the burden on commerce cannot be considered “small”—this per-passenger, per-entry tax amounts to hundreds of thousands of dollars per voyage and will directly impede sales and deter ship calls to Hawaii.

Given the legal challenges that will most certainly ensue if this bill is passed in its current form, we strongly urge you to remove the amendments that expand the definition of transient accommodations to include passenger cabins, staterooms, and commercial passenger vessels as well as section (f) in its entirety.

NCLH does support the intent of this bill but cannot support it in its current form. Further discussions should be held to specifically consider how the cruise industry can participate in sustainability and climate change within state harbors.

For the reasons outlined above we respectfully ask that you do not advance this bill in its current form.

Hawaii State Senate
Committee on Ways and Means

Thursday, April 3, 2025, 10:01 am

HB504, SD1 Relating to Environmental Stewardship
Testimony - Comments

To: Sen. Donovan Dela Cruz, Chair of Committee on Ways and Means

From: Cruise Lines International Association (CLIA)

Re: Comments – HB504, SD1 RELATING TO ENVIRONMENTAL STEWARDSHIP

Aloha Chair Dela Cruz and members of the Committee:

My name is Michael McGarry, Senior Vice President, Government Affairs for Cruise Lines International Association (CLIA). CLIA is a nonprofit trade association representing oceangoing cruise line members across the world. In Hawaii, member lines work to promote the islands and provide economic opportunities across the state in Honolulu, Hilo, Kailua-Kona, Kahului, Lahaina and Nawiliwili.

CLIA respectfully supports the intent of HB504, SD1 Relating to Environmental Stewardship. We recognize the importance of preserving Hawaii's natural environment for future generations and enhancing the State's ability to address climate resiliency which is why cruise lines are investing in the development of innovative technologies and practices onboard such as advanced wastewater treatment systems, water conservation and programs to repurpose and reduce waste.

To that end, HB504, SD1 seeks to establish a funding mechanism to address environmental impacts from visitors to Hawaii through an expansion in the Transient Accommodations Tax (TAT) to include cruise ships in the form a \$20 per passenger per port fee and by increasing the current TAT rate. However, application of this tax to cruise ships violates the *Tonnage Clause* of the *US Constitution* as well as federal statute, 33 U.S.C. § 5(b)(2).

33 U.S.C. § 5(b)(2)

No taxes, tolls, operating charges, fees, or any other impositions whatever shall be levied upon or collected from any vessel or other water craft, or from its passengers or crew, by any non-Federal interest, if the vessel or water craft is operating on any navigable waters subject to the authority of the United States, or under the right to freedom of navigation on those waters, except for —...

(2) reasonable fees charged on a fair and equitable basis that —

- (A) are used solely to pay the cost of a service to the vessel or water craft;*
- (B) enhance the safety and efficiency of interstate and foreign commerce; and*
- (C) do not impose more than a small burden on interstate or foreign commerce.*

Federal courts (including the Supreme Court) have consistently ruled for over a century that fees or taxes imposed on vessels by non-federal entities are prohibited.

CLIA member lines currently pay “passenger fees” in addition to numerous existing DOT-Harbors administered tariffs and fees, including port entry fees, dockage fees for vessels, pipeline tolls and bunkering charges among many others. In 2023, the cruise industry contributed \$443 million to Hawaii's GDP and supported 4,200 jobs, with a total economic impact of \$990 million in the state.

We strongly urge the committee to ensure that taxes and fees proposed under the measure are allowable under federal law and do not expose the state to potential liability or risk of legal challenge.

For these reasons, we respectfully request that the committee amend this measure to avoid conflicts with federal law.

**Council for Native Hawaiian Advancement
91-1270 Kinoaiki St., Bldg. 1
Kapolei, HI 96707**

**Hawai'i State Senate Committee on
Ways and Means**

HB504 – Relating to Environmental Stewardship

RE: Strong Support of HB504

April 3, 2025

The Council for Native Hawaiian Advancement (CNHA) writes in **strong support of HB504** to dedicate additional funding towards critical environmental stewardship initiatives. The State need an estimated \$560 million each year at least to effectively care for our natural and cultural resources in Hawai'i. It makes sense to ask visitors to kōkua in caring for the environment they enjoy during their stay, and the TAT offers an existing program to do so.

The Hawai'i State Constitution requires the protection and enforcement of Native Hawaiian rights, including traditional and customary practices that are intrinsically dependent on our threatened natural resources. Native Hawaiian cultural values and stewardship practices already hold many of the solutions to increase climate resilience. It's important that any funding generated from visitors is distributed to solutions that are community-based and facilitate partnerships between community and agencies. This bill uplifts and supports existing community work to mālama 'āina.

Not only would this measure produce results, residents and visitors alike are incredibly supportive of the effort. Polling results found that 95% of Hawai'i voters believe that it is our kuleana to care for the ocean for future generations, and 82% support giving local communities a clear role in managing marine areas. Furthermore, 89% of those surveyed agree that we must increase our investment in our precious land, water, and animals, including our biocultural resources. Previous polling showed 88% of residents support a visitor green fee and, in January 2025, two-thirds of polled visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee. Residents and visitors agree: giving back to the places you visit is more than acceptable, it's necessary.

We have watched the consequences of underinvestment in our 'āina, and we cannot wait another fire, flood, or bleaching season without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. For these reasons, we humbly ask that you **PASS HB504**.

Me ka ha'aha'a,

Madelyn McKeague
Director of Advocacy, CNHA

April 3, 2025, 10:01 a.m.
Hawaii State Capitol
Conference Room 211 and Videoconference

To: Senate Committee on Ways and Means
Sen. Donovan M. Dela Cruz, Chair
Sen. Sharon Y. Moriwaki, Vice Chair

From: Grassroot Institute of Hawaii
Ted Kefalas, Director of Strategic Campaigns

RE: TESTIMONY IN OPPOSITION TO HB504 HD2 SD1 — RELATING TO ENVIRONMENTAL STEWARDSHIP

Aloha Chair Dela Cruz, Vice Chair Moriwaki and other members of the Committee,

The Grassroot Institute of Hawaii would like to offer its comments **in opposition** to [HB504 HD2 SD1](#), which would increase the current state transient accommodations tax rate by an undetermined amount, as well as levy a monthly tax of \$20 per passenger per port entry on any commercial passenger vessel at any port facility under the jurisdiction of the state Department of Transportation.

The bill would expand the definition of “transient accommodation” to include cabins, staterooms and commercial passenger vessels. It also establishes a TAT enforcement working group with the goal of establishing best practices for the enforcement and collection of the TAT.

First, it must be emphasized that the use of blanks in lieu of specific amounts for this proposed tax hike makes it difficult to provide meaningful commentary on how HB504 might affect Hawaii’s residents, economy or state revenues.

It is fundamentally unfair to the public to consider or pass blank tax bills. The people have a right to know the rates proposed in any tax bill — especially if it is likely to involve a tax increase.

Like many proposed tax increases, HB504 singles out a laudable purpose for its revenues — in this case, protecting and restoring the state’s natural resources. However, in the context of a significant tax hike, a

laudable purpose does not negate the damage that the bill could inflict on Hawaii businesses and the state's economy as a whole.

Support for the TAT is often based on the notion that the tax falls most heavily — or even exclusively — on tourists. However, it also directly affects Hawaii residents who need to stay in local transient accommodations when traveling interisland for work-related or medical reasons or simply seeking to enjoy a “staycation.”

Beyond that, a large body of research demonstrates that increasing taxes on tourists can also affect both the competitiveness of Hawaii's tourism industry and the health of local businesses that depend upon tourism dollars — which means the tax affects most, if not all, Hawaii residents, albeit in some cases indirectly.

A 2017 European Union study on the impact of taxation on tourism in Europe found that high tourism taxes, passed on to tourists through higher prices, affected the competitiveness of particular destinations.¹ Coastal and leisure destinations in particular were most adversely affected by increases in tourism taxes, especially compared to locations that were more focused on business travelers.

In addition, occupancy taxes such as Hawaii's TAT were singled out as inequitable and especially frustrating to tourists. The EU study recommended that countries that depend heavily on tourism should reduce their tourism taxes in order to increase competitiveness.

Even unique destinations are not immune from the effect of taxation on international arrivals. A study of the Maldives, a country that earns as much as 70% of its revenue from tourism taxes, found that a 10% increase in tourism taxes reduces demand by 5.4%.²

To put it plainly, increasing tourism taxes decreases the number of visitors. Moreover, policymakers cannot assume that tourism taxes will not have an additional effect on visitor spending. It is common sense to assume that tourists will compensate for higher tourism taxes by adjusting their budgets and spending less on dining, activities or shopping.

This is borne out by a study of the effect of an air passenger duty on the budget allocations of United Kingdom tourists. The study found that tourists compensated for the higher taxes by decreasing destination expenditures on items such as accommodations and food.³

¹ PricewaterhouseCoopers LLP, [“The Impact of Taxes on the Competitiveness of European Tourism,”](#) European Commission, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, October 2017.

² Festus Fatai Adedoyin, Neelu Seetaram and George Filis, [“The Effect of Tourism Taxation on International Arrivals to a Small, Tourism-Dependent Economy,”](#) Journal of Travel Research, Vol. 62, Iss. 1, pp. 135-153.

³ Haiyan Song, Neelu Seetaram and Sunh Ye, [“The effect of tourism taxation on tourists' budget allocation,”](#) Journal of Destination Marketing and Management, March 2019, pp. 32-39.

Thus, increasing tourism taxes will ultimately hurt Hawaii's restaurants, stores and hotels, as tourists decrease their expenditures to compensate for the state's higher taxes.

This is on top of the fact that Hawaii already has some of the world's highest tourism taxes,⁴ making any additional hike a threat to the continued health of the industry and the businesses that depend on it. Tourism is such a critical part of the state's economy that even industries that are not directly linked to tourism are linked to businesses that are.

In addition, as I mentioned earlier, we should not ignore the fact that tourists are not the only ones who pay the TAT. For example, neighbor island residents who stay on Oahu for medical care, or families in need of a temporary dwelling after a natural disaster, must book either a hotel or a short-term rental. Likewise, medical professionals must stay somewhere while temporarily practicing in Hawaii.

In other words, a TAT increase will have a negative effect on the health of the state's tourism industry, its economy and the cost of living in general.

Hawaii residents must already make ends meet while living in the state with the highest cost of living. This is not the time to make Hawaii a more expensive place to live and do business.

As a final thought, please remember that Hawaii's TAT started out in 1986 as a temporary tax at 5% to help fund the Hawaii Convention Center.⁵ Its original purpose has long disappeared, but we still have the tax, and it has only continued to increase through the years. And now we are talking about maybe increasing it again — and by an unstated amount, no less!

It is this kind of tax policymaking that breeds cynicism among Hawaii voters — on two counts: first, by reinforcing the notion that there really is no such a thing as a temporary tax, and second, by leaving the proposed tax-increase rate blank.

Rejecting this bill would help restore public confidence in our lawmakers and the legislative process.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

⁴ Alison Fox, "[These Cities — Including 3 in the U.S. — Have the Most Expensive Tourist Taxes in the World, Study Shows](#)," Travel + Leisure, Aug. 12, 2022.

⁵ Tom Yamachika, "[Erasing An Error of the Past in the Transient Accommodations Tax](#)," Tax Foundation of Hawaii, Oct. 26, 1997.



April 1, 2025

Senator Donovan Dela Cruz, Chair
Senator Sharon Moriwaki, Vice Chair
Committee on Ways and Means
Senate
Hawaii State Legislature

Opposition to HB 504 HD2 SD1

Dear Chair Dela Cruz, Vice Chair Moriwaki and Members of the Committee on Ways and Means,

Thank you for the opportunity to provide our testimony in opposition to HB 504 HD2 SD1.

We appreciate the amendment requesting that the State Department of Taxation create a working group to explore tax collection equity between all accommodations types.

We also appreciate that this bill has been amended to consider the impact of commercial cruise passengers on our environment and infrastructure.

But, until the State of Hawaii and all four counties have shown that they are **actually collecting** the full amount of Transient Accommodations Tax (TAT) and General Excise Tax (GET) that are legally due from all accommodations types, then the Kohala Coast Resort Association (KCRA) will consistently oppose any increases.

The KCRA conducts an economic and community impact report every two years. Through our attached 2024 report (based on 2023 data), we have shown that the hotels and timeshares on the Kohala Coast paid the vast majority of the TAT collected from our island – more than \$75.7M. And yet, we represent only a portion of the hotels, timeshares, and short-term vacation rentals located on Hawaii Island.

Granicus/Host Compliance, which aggregates data from the hosting platforms and works with governments across the country to collect the taxes that are owed, has been delving into the impact of unpaid TAT in Hawaii. They have provided proposals to the State Department of Taxation, the City and County of Honolulu, and recently provided a report to Hawaii County leaders. They showed there were 8,700 unique short-term vacation rentals operating on our island as of November 2024, with an average daily rate of \$347/night. With an average occupancy of 50%, based on DBEDT's vacation rental reports, if the TAT were equitably collected, those operators should have paid \$56.4M in TAT to the state, and \$16.5M in TAT to Hawaii County. And yet the budget line item for Hawaii County TAT for fiscal year 2023-24 was \$24M, \$17M of which was paid only by the members of the KCRA. **The math just doesn't add up.**

Visitation to Hawaii is not a given. Visitors have more opportunities than ever before to visit destinations around the world. And Hawaii already has the reputation of having some of the highest visitor taxes in the world, as this article from the January 25, 2025 edition of Travel+Leisure attests - [What to Know About the Proposed Tourist Fee in Hawaii](#). It's important that lawmakers understand that Hawaii's high visitor taxes aren't just being discussed by policymakers and the visitor industry, but the visitors themselves - especially corporate meeting planners, are using our tax structures as justification to take their business to other destinations like Florida, the Caribbean and Mexico.

Before the Legislature moves forward with any increases that could negatively impact the economic driver of our state, it needs to make sure that all state agencies charged with collecting taxes and visitor fees are doing so to their full capacity.

And further, the State of Hawaii needs to show visitors that the taxes they currently pay (TAT, GET, rental car fees, airport landing fees, ocean tourism fees, parking fees at parks like Hapuna Beach State Park) are being collected fairly, and used to address visitor impacts in those areas. With the vast majority of tax collections going into the state's general fund, there is no clear nexus.

On behalf our 5,500 employees and their 17,500 family members, we thank you for the opportunity to provide our comments in opposition to HB504 HD2 SD1.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie P. Donoho".

Stephanie Donoho, Administrative Director

Craig Anderson, VP Operations, Mauna Kea Resort –President
Pat Fitzgerald, CEO, Hualalai Investors – Vice President
Charlie Parker, General Manager, Four Seasons Hualalai – Secretary
Daniel Scott, Managing Director Rosewood Kona Village – Treasurer
Chris Sessions, DOSM, Fairmont Orchid – Board of Directors
Scott Head, VP Resort Operations, Waikoloa Land Company – Board of Directors
David Givens, General Manager, Hilton Waikoloa Village – Board of Directors
Rob Gunthner, Area VP Resort Operations, Hilton Grand Vacations – Board of Directors
Pete Alles, Regional VP and GM, Mauna Lani, Auberge Resorts Collection – Board of Directors
Mark Goldrup, General Manager, Waikoloa Beach Marriott – Board of Directors



2024 Executive Summary - KCRA Economic and Community Impacts

- ❖ The Kohala Coast consists of a twenty-mile stretch on the northwest shore of the Island of Hawaii. The Kohala Coast is a part of both the North Kona and South Kohala districts of Hawaii County. The KCRA was established in 1984 by the developers of the master-planned resorts along the Kohala Coast. Over the last 40 years, the KCRA has grown to include Hualalai, Waikoloa, Mauna Lani and Mauna Kea Resorts, as well as the hotel and timeshare management companies located within those resorts.
- ❖ KCRA members have invested billions of dollars in private funding to develop and maintain the infrastructure within the resorts, which are utilized and enjoyed by residents and visitors alike. These include roadways, water, wastewater, parks, restrooms, shopping centers, historic sites, interpretive signage, and community facilities.
- ❖ When combined, the amount paid by KCRA members for GET, TAT, property taxes, payroll for their employees, construction and renovation projects, marketing efforts, agricultural enhancements, and charitable donations sums to more than \$815 million for 2023 alone.
- ❖ KCRA members operate 2,718 hotel rooms and 1,229 timeshares. The resorts also contain 778 resort residential units, home to both full and part-time Hawaii residents, as well as legal short-term vacation rentals. KCRA resorts also include shopping centers, golf courses, spas, and restaurants representing more than 100 small businesses.
- ❖ KCRA members represent 5 of the top 10 private employers on the island according to *Pacific Business News*. Collectively KCRA members employ nearly 5,500 residents, supporting more than 17,000 community members.
- ❖ The average salary and benefits package for employees of KCRA member properties is nearly \$82,000 per year, with starting salaries for full-time positions in the mid-\$50K. Starting hourly rates for employees average more than \$17.50/per hour.
- ❖ The vast majority of KCRA members' employees live in zip codes neighboring the Kohala Coast (96738, 96740, 96743, 96755, 96727). Less than 8 percent of KCRA members' employees live in East Hawaii (from 2022 report).
- ❖ In 2023 KCRA members paid more than \$44.3 million in GET and **\$75.7 million in TAT to the State of Hawaii and County of Hawaii**. KCRA's members, as well as the businesses and residents within our resorts, paid nearly \$151 million in property taxes to Hawaii County in 2023, accounting for more than one-third of all property taxes.
- ❖ Member resorts have spent more than \$658 million on construction and renovations since 2020. We also welcomed back Kona Village, which had been a previous member, was destroyed by the 2006 tsunami, and came back online in 2023. These construction upgrades allow Hawaii County to keep its competitive advantage as a visitor destination, while creating numerous jobs for other residents statewide in the construction industry. During the next six years our members will invest nearly \$1 billion more, including major hotel renovations at Mauna Kea Beach Hotel, and the creation of the first affordable rental housing project within a resort footprint in the State of Hawaii, with the development of Kumu Hou at Waikoloa Resort.
- ❖ KCRA members actively participate in the Hawaii Island Destination Management Action Plan (DMAP) and have led efforts on Hawaiian cultural education programming for visitors; promotion of local agricultural products through their restaurants and retail outlets; as well as stewardship and maintenance of the natural resources along the coastlines where resorts are located. KCRA resort employees supplement the work of our first responders and emergency services with privately funded safety and security personnel and lifeguard programs benefiting visitors and residents alike. In addition, KCRA members actively participate in the marketing and management activities of the destination, supplementing the funding allocated to the Hawaii Tourism Authority and Island of Hawaii Visitors Bureau, spending nearly \$200 million in private funds in the last four years.

- ❖ KCRA is proud that the leadership teams for our hotels, timeshare management companies and resorts are comprised of hundreds of local residents. At seven of our member properties more than 40% of their managers are from Hawaii, with one property leading our efforts with 85% of its management team from the state.
- ❖ KCRA members are incredibly generous, collectively donating more than \$2 million annually to local non-profit organizations. One signature event, hosted at KCRA member properties, is the Hawaii Lodging and Tourism Association's annual Visitor Industry Charity Walk. Since its inception more than 40 years ago, the Charity Walk has raised nearly \$20 million for local charities, and new fundraising records are established each year.
- ❖ In addition to their substantial financial contributions, employees at KCRA member properties also volunteer thousands of hours annually to community organizations. As leaders within their respective resort communities, KCRA members also introduce part-time and full-time residents who live in their respective resorts to philanthropic opportunities across the island and the state. As a collective, we work hard to address the high cost of living for members of our community who fall into ALICE designations.
 - KCRA members regularly support the Hawaii Island Food Basket, Salvation Army food drives, and their chefs and culinary teams provide support for community meal programs, such as the one at St. James Episcopal Church in Waimea, which reaches more than 950 families each week.
 - KCRA members are highly invested in environmental causes including: Four Seasons Resort Hualalai's Legacy Trees initiative, where more than 65,000 koa trees have been planted to protect watersheds; Mauna Kea Resort's partnerships with the Nature Conservancy and Hawaii Island Land Trust; and Fairmont Orchid's partnership with the Waikoloa Dry Forest initiative. KCRA members' employees and family members regularly gather for beach and road cleanup projects all along the Kohala Coast.
 - Many KCRA members volunteer with different hula halau, cultural clubs, sports teams and educational groups to showcase our island's diverse cultures and interests. Our members sponsor performances promoting the Hawaiian, Japanese, Portuguese, and Chinese cultures that make up our diverse island. We also host running, cycling, triathlons, paddling, golf, tennis and youth sports clinics and events.
 - Our KCRA team members serve on the board of directors for business, arts and cultural organizations; support educational, religious and community organizations; and even help defray the costs of education and home ownership, through our resident-driven ohana foundations.
- ❖ In addition to the arenas mentioned above, KCRA members provide vital support for other sectors including: retail – 3 shopping centers, restaurants, art galleries and pop-up small business incubators; services – real estate, architecture, landscape, interior design; special events – festivals, sports, weddings, photography, florists; natural resources stewardship - trails, bays, beaches, anchialine ponds, signage; and cultural preservation - historic sites, petroglyphs, and native Hawaiian cultural education programs.

Sustainable tourism management is exemplified by the members of the KCRA.

Craig Anderson, VP Operations, Mauna Kea Resort –President
 Pat Fitzgerald, CEO, Hualalai Investors – Vice President
 Charlie Parker, General Manager, Four Seasons Hualalai – Secretary
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Testimony Before The
Senate Committee on Ways and Means (WAM)
IN SUPPORT OF HB504 HD2 SD1
April 3, 2025, 10:01 a.m., Room 211 & Videoconference

We are Olan Leimomi Fisher and Kevin Chang, Kua'āina Advocate and Executive Director, respectively, testifying on behalf of [Kua'āina Ulu 'Auamo \(or KUA\)](#). "Kua'āina Ulu 'Auamo" stands for "grassroots growing through shared responsibility," and our acronym "KUA" means "backbone." **Our mission is to connect and empower communities to improve their quality of life through the collective care for their biocultural (natural and cultural) heritage, serving as a "backbone organization" that supports creative, community-driven solutions to problems stemming from environmental degradation.** Hawai'i's biocultural resources continue to be negatively impacted by political, economic, and social changes, and the increasing dangers of climate change make fostering and empowering resilient communities acutely critical.

Currently KUA supports three major networks of: (1) over 40 mālama 'āina (caring for our 'āina or "that which feeds") community groups collectively referred to as E Alu Pū (moving forward together); (2) over 60 loko i'a (fishpond aquaculture systems unique to Hawai'i) and wai 'ōpae (anchialine pool systems) sites in varying stages of restoration and development, with numerous caretakers, stakeholders, and volunteers known as the Hui Mālama Loko I'a ("caretakers of fishponds"); and (3) the Limu Hui made up of over 50 loea (master experts) and practitioners in all things "limu" or locally-grown "seaweed." **Our shared vision is to once again experience what our kūpuna (ancestors) referred to as 'ĀINA MOMONA – abundant and healthy ecological systems that sustain our community resilience and well-being.**

KUA supports HB504 HD2 SD1 with comments as a step towards 'āina momona.

This bill would amend the Transient Accommodations Tax (TAT) rate to require a \$20 per passenger per port entry or any commercial passenger vessel at any port facility. It would also establish a TAT Enforcement Working Group, and appropriate funds to the Department of Land and Natural Resources (DLNR) for certain environmental stewardship projects. **We strongly encourage DLNR to ensure that at least a portion of any funds collected through this effort specifically support Native Hawaiian and local community-led partnerships for restoring, protecting, and caring for our environment.**

Our state constitution requires the protection and enforcement of Native Hawaiian rights, including traditional and customary practices that are intrinsically dependent on our threatened natural resources. Hawai'i's biocultural resources are also a part of the public trust, and must be managed and protected for the benefit of current *and future* generations. It is no secret that the historical and existing models of tourism continue to negatively affect our home, causing overcrowding and strain on our water, food, and special places – making life much less enjoyable for residents, and at the ultimate expense of our fragile ecosystems with native plants and animals being the most vulnerable. With many other governments taking proactive steps to

correct the underinvestment in their natural resources (Italy, Spain, New Zealand, Galapagos, Palau, etc.), it is time that Hawai'i – widely-known as one of the most exploited tourist destinations in the world – follows suit, to best protect our fragile environment which Native Hawaiians and kama'āina hope to continue stewarding for generations to come.

A recent survey on public support for the care of our biocultural resources found that 95% of Hawai'i voters believe that it is our kuleana to care for the ocean for future generations, and 82% support giving local communities a clear role in managing marine areas. Furthermore, 89% of those surveyed agree that we must increase our investment in our precious land, water, and animals, including our biocultural resources. We believe HB504 HD1 is a critical step to ensuring visitors are paying their fair share for the places they use, and the experiences and resources they enjoy during their time in our home.

This bill also uplifts and highlights the significant contributions of Hawai'i residents, especially those in rural and Native Hawaiian communities, beyond paying taxes for environmental care. Native Hawaiian cultural values and stewardship practices already hold many of the solutions to prevent and mitigate the climate crisis. Engaging our local communities in direct environmental management and governance, often in collaboration with our underfunded DLNR, is key to overcoming the many challenges of climate change. As such, **if this measure is passed, we strongly urge that a dedicated portion of funding specifically support and empower community-based individuals and groups as essential partners with governmental agencies in restoring, protecting, and caring for our shared biocultural resources.**

A primary function of KUA includes support for the development of an 'auwai, or a system of resources, tools, bridges, relationships, and networks that cultivate and elevate our communities' efforts to greater levels of collective impact in the care of our biocultural resources. A core catalyst for the flow in this 'auwai includes increasing the percentage of our economy, both public and private, which helps manage and regenerate the condition of the 'āina that sustains us. **Our young people today are calling for a rebalanced approach to living on our isolated and fragile island ecosystems that have for decades been subjected to an overly extractive economic approach to life – largely through tourism.** They want our government to rebalance this overuse and exploitation with better, thoughtful care for our 'āina that feeds us. They want an island culture that no longer takes for granted the environmental subsidies that allow us to thrive. Indeed, island communities that draw tourists from around the world are the canaries in the coal mine for being overrun with travelers and impacts by global climate change. Hawai'i must join this effort and be on the right side of history.

The communities we work with are committed to ensuring the long-term health of our biocultural resources. They have depended on them for generations. **Our environment, the foundation of our very existence, is about long-term investment and a vision of 'āina momona.** To get there requires taking the steps necessary for greater self-sufficiency, including development of innovative and sustainable career pathways, mindsets, relationships, and resource flows for mālama 'āina. Passing this bill out of your committee will open an essential 'auwai system toward reaching this vision. Mahalo nui loa for considering our testimony.

Aloha 'Āina Momona no nā kau ā kau.



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

April 3, 2025

HEARING BEFORE THE
SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY ON HB 504, HD2, SD1
RELATING TO ENVIRONMENTAL STEWARDSHIP

Conference Room 211 & Videoconference
10:01 AM

Aloha Chair Dela Cruz, Vice-Chair Moriwaki, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate, and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports Part III of HB 504, HD2, SD1, which requires the Department of Land and Natural Resources to transfer agricultural leases under its jurisdiction to the Department of Agriculture.

The Hawai'i Farm Bureau acknowledges and appreciates that the Department of Land and Natural Resources has worked with the Department of Agriculture, farmers, and ranchers and has made some progress by transferring certain agricultural leases to the Department of Agriculture as intended by Act 90. However, continued efforts are needed to ensure that all qualifying non-agricultural park lands are properly transferred to DOA to effectively support Hawai'i's ranchers.

Long overdue to resolve a 20-year state of limbo

The bill will finally resolve the stagnation resulting from Act 90 of 2003, which was intended to ensure the long-term productive use of public land leased for agricultural purposes by transferring certain lands from DLNR to DOA. During all these years, agriculture producers have had no stability or security to conduct long-term planning and investments.

DLNR retains its management responsibility and authority to manage natural resources

DLNR retains its management responsibility and authority to manage natural resource assets no matter which agency holds the lease.

- All transferred leases will be subject to DLNR easements or rights of entry established to allow access to conservation activities, hunting, gathering, and recreation.
- Farmers and ranchers are required to work with the DLNR Soil and Water Conservation Districts to develop and implement an enforceable conservation program.
- The program will dictate practices and systems to protect the land against deterioration and prevent environmental degradation.

These DLNR lands are already being stewarded by agricultural producers who rely on the conservation of natural resources for their livelihood. Providing them with support and beneficial lease terms under the DOA will only further their ability to make investments in conservation efforts on the land.

Best interest of the public

Hawai'i's food producers are essential to the State's goals of greater self-sufficiency and conservation efforts. Enabling their continued work is in the best interest of the public. They should not be trapped in further decades of debate about which agency controls their existence when it is the mission of one agency, DOA, to foster agriculture in Hawai'i, while collaborating with DLNR to ensure the protection of natural resources.

Food production and natural resource conservation are equally important, constitutionally protected public purposes, not mutually exclusive, and both can and must be achieved.

Thank you for the opportunity to share our comments and for your continued support of Hawai'i's agricultural community.



**Senate Committee on Ways and Means
Thursday, April 3, 2025
Testimony in Strong Support of H.B. 504, Relating to Environmental Stewardship**

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Honorable Members of the Senate Committee on Ways and Means,

Mahalo for the opportunity to testify in **strong support** of **H.B. 504, Relating to Environmental Stewardship**. If enacted, this bill would establish a dependable mechanism for the funding of critical, public-safety oriented conservation, as well as other resilience projects, which are necessary to protect our islands and people from the extreme weather risks that come with a warming world.

Kupu is a statewide nonprofit founded and headquartered in Hawai‘i, providing youths and young adults with opportunities to learn, serve, and work in ways that restore environments and communities. As an organization that helps people transform their love for the environment into a professional career, it gives us hope to see legislation like H.B. 504 progress through the state legislature. Thank you for hearing this bill, and for the thoughtful attention you have paid to this issue.

If enacted, this legislation could provide durable, dependable funds needed to help Hawai‘i rise to the challenges that come with extreme weather shocks, as well as the stressors of climate change. These funds are required to enable the work needed to keep Hawai‘i's public lands healthy; a task made more difficult not only by climate changes, but also by the millions who visit our islands. The current volume of visitors, however well-intended, make the management of state trails, fresh waters, forests, and shorelines more complex and challenging.

However, Hawai‘i's people, especially the next generations, are up to the challenge. We see at Kupu, through the work of hundreds of youths and young adults in our programs, that Hawai‘i

has no shortage of people who are willing to make caring for ‘āina their profession. We do, however, have a shortage of funds. By investing in their future and giving them the opportunity to do the work that needs to be done, we also create positive economic impacts, all the while preserving the safety and quality of life upon which residents and visitors both rely.

Recently released public polling has shown us that most past and likely visitors to Hawai‘i would not be deterred by requirements to contribute financially to Hawai‘i's environment. In fact, one in four say they are more (not less) likely to visit if such a requirement was in place. Let's make Hawai‘i a more desirable destination for these kinds of visitors, who understand that Hawai‘i is a place worth caring for, and who want to be part of the solution.

The ‘ōlelo no‘eau, "Ho‘okahi nō lā o ka malihini," a stranger for only a day, speaks to the cultural norm that after a day of being welcomed by kama‘āina or hosts, visitors are invited into the work needed to care for the place they have come to. In this case it is our community, especially our youths, who are ready to do the work; but funding is needed. Our hospitality is meant to be responded to with reciprocity; this is the cycle that keeps aloha sustainable. While a fee of this nature is just one step in that direction, it is an important one.

Mahalo hou, thank you again, for the opportunity to testify in **strong support** of **H.B. 504, Relating to Environmental Stewardship.**

E Mālama Pono,

Kāwika Riley

Vice President, External Affairs

Kupu



**Senate Committee on Ways and Means
April 3, 2025 at 10:01 AM
Room 229, for Decision Making Only**

Testimony in SUPPORT for HB504 HD2 SD1

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committees:

The Hawai'i Alliance of Nonprofit Organizations (HANO) **supports HB504 HD2 SD1**, which seeks to increase the Transient Accommodations Tax on visitors to Hawai'i to provide critical funding for environmental stewardship, protection, and restoration projects across the state. We also **urge the adoption of an amendment that would establish a community grants program**, administered in partnership with the Department of Land and Natural Resources, to direct funding to community-based nonprofits actively engaged in environmental work throughout Hawai'i.

HANO is a statewide, sector-wide professional association of nonprofits that works to strengthen and unite the nonprofit sector as a collective force to improve the quality of life in Hawai'i. Since 2006, HANO has been a leading voice for the nonprofit sector, leveraging resources, educating and advocating for policies and practices that promote the professionalism, sustainability, and effectiveness of nonprofits and the communities they serve.

Hawai'i's nonprofit organizations play an essential role in preserving our islands' fragile ecosystems, safeguarding cultural resources, and ensuring that future generations can enjoy the natural beauty that makes Hawai'i unique. From reforestation and watershed management, to coral reef restoration and sustainable land stewardship, environmental and Hawaiian cultural nonprofits fill critical gaps that government agencies alone cannot address. These organizations are community-driven and possess the local knowledge necessary to implement effective, place-based solutions.

Furthermore, in light of the Federal Administration's efforts to drastically reduce funding for environmental programs and grants, state investment has never been more urgent. Without sustainable funding sources, Hawai'i risks losing valuable progress in conservation, habitat restoration, cultural preservation, and climate resilience efforts. By establishing a dedicated community grants program within HB504, the State can ensure that community-based organizations have the resources they need to continue their essential work, while also fostering strong partnerships between government agencies and the nonprofit sector.

Mahalo for the opportunity to testify in support of HB504.



April 2, 2025

TO: Senator Donovan Dela Cruz, Chair
Senator Sharon Moriwaki, Vice-Chair
Members of the Ways and Means Committee

FR: AMERICAN RESORT DEVELOPMENT ASSOCIATION – HAWAII (ARDA Hawaii)

RE: Testimony in Opposition to HB 504 – Relating to Environmental Stewardship

Aloha Chair Dela Cruz, Vice-Chair Moriwaki, and members of the Committee,

Thank you for allowing ARDA Hawaii to submit testimony in **OPPOSITION** to HB 504 – Relating to Environmental Stewardship. ARDA Hawaii is the local chapter of the trade association for the timeshare industry. Timeshare is an important and stabilizing part of the tourism industry and to Hawaii's economy. Timeshare owners have made long-term commitments to Hawaii by purchasing and owning real property in the State. These owners are consistent and dependable visitors who bring substantial tax dollars to the State and continue to come even during periods of economic downturn.

HB 504 would amend and potentially increase the transient accommodations tax (TAT) and would impose a \$20 fee to be levied per passenger per port entry or any commercial passenger vessel at any port facility. These funds would be used to provide funding to the DLNR for certain environmental stewardship projects.

While ARDA Hawaii is pleased to see the bill amended to remove the imposition of a fee on accommodations secured through reward points, and while we understand the intent to generate revenue for environmental conservation, ARDA does not support an increase to the TAT.

Hawaii risks becoming less competitive with an increase to this tax. The TAT is particularly unfair to timeshare owners, who already contribute significantly to Hawaii's economy through existing taxes, including property taxes and general excise taxes.

Should this bill pass and be enacted, we would be pleased to serve on the Transient Accommodation Tax Enforcement Working Group established in the bill.

Mahalo for your consideration of our comments.

Testimony in Support of HB504, HD2, SD1
Senate Committee on Ways and Means
Position: Support

Aloha Chairs, Vice Chairs, and Members of the Committee on Ways and Means,

Members of Hawai'i Green Growth Local2030 Hub in collaboration with members of 'Āina Aloha Economic Futures and the Hawai'i Wildfire Management Organization are collectively submitting written testimony in **strong support of HB504**, which would dedicate funding toward Hawai'i's natural and cultural resources through amendment of the Transient Accommodation Tax (TAT), assess the TAT on cruise ship cabins, and appropriate funds for the protection, management, and restoration of the State's natural resources as well as for environmental stewardship, climate and hazard mitigation, and sustainable tourism. Further, the bill would help achieve Hawai'i's timebound 2030 sustainability commitments through the Aloha+ Challenge, Hawai'i's local framework to meet the global Sustainable Development Goals.

The devastating wildfires on Maui and Hawai'i Island in August of 2023 underscore the need for Hawai'i to mitigate against future disasters by making significant investments in effectively managing priority watersheds and the built environment, reducing invasive species across unmanaged landscapes, and increasing overall risk awareness. Our collaboration of partners seeks to strengthen community resilience through biocultural system restoration leveraging local, place-based knowledge and indigenous wisdom and securing sustainable investments for a more abundant Maui and the broader Hawaiian Islands. Bill HB504 would strongly support these efforts to strengthen resilience across our communities and 'āina.

As Hawai'i's landscape managers compete with the myriad other social and environmental issues requiring funding from State budgets, an innovative approach to sustainable financing is urgently needed to address the scale of landscape management and wildfire mitigation activities on Maui and across the islands of Hawai'i. Proven solutions that urgently require more funding to address Hawai'i's wildfire risk and other disaster mitigation through effective natural resource management at scale include:

Watershed Management	Community Risk Reduction
Reducing fire fuels through vegetation management, native species planting and ecosystem restoration, active agriculture, invasive species removal, and conversion to less fire-prone species.	Wildfire outreach and education for vulnerable communities.
Equitable water redistribution to support improved land management, agriculture, and healthier watersheds (all wildfire risk reduction practices).	Community wildfire mitigation program coordination (Hawaii Firewise Communities program and statewide Firewise network), which provides technical guidance and support for communities working to address wildfire risk in their neighborhoods.

Wildfire mitigation planning and best practice education for land stewards.	Small grants and cost-share funding for wildfire mitigation projects carried out within communities active in the Firewise program (cost-share) to manage vegetation, address vegetated communal areas and neighborhood perimeters, work on evacuation planning and egress issues, and retrofit structures with noncombustible materials.
Coordination to support landscape-scale, multi partner mitigation activities. (Fires and other disasters don't obey fence lines.)	
Training, education, living wages, affordable housing, and workforce capacity initiatives are also critical to achieving the above activities.	

It's estimated **Hawai'i needs at least \$560 million each year** to effectively care for natural and cultural resources in the state. Enacting legislation like SB1396 could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods. The many Watershed Partnerships, DLNR-Division of Forestry and Wildlife, the Hawai'i Wildfire Management Organization, community land stewardship groups, ranches, and other local nonprofits and community- based organizations have long been leading the way on this work. **We support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai'i.**

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. ***The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee.*** Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary.

Mahalo for the opportunity to testify,

Celeste Connors



CEO
Hawai'i Green Growth Local2030 Hub

Mahina Paishon

Mahina Paishon

Founding Member
'Āina Aloha Economic Futures

Elizabeth Picket



CO-Executive Director
Hawai'i Wildfire Management Organization

Andrea (Nani) Barretto



CO-Executive Director
Hawai'i Wildfire Management Organization

To: Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair
Senate Committee on Ways and Means

From: Hawai'i Workforce Funders Collaborative
HB504, HD2, SD1 - Relating to Environmental Stewardship - Support
Thursday, April 3, 2025, 10:01 a.m., Conference Room 211 & Videoconference

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

Mahalo for the opportunity to support HB504, HD2, SD1 relating to environmental stewardship. I submit this testimony on behalf of the [Hawai'i Workforce Funders Collaborative](#) (HWFC), a collaboration of philanthropic, nonprofit, private, and public partners leading the charge to create an integrated strategy for workforce development in Hawai'i. We believe this bill will help create good jobs in climate adaptation and sustainable tourism, and increase our state's resilience to the challenges we face from a changing climate.

The climate crisis is not just an environmental issue; it is an economic and workforce issue, too. Extreme weather events and disasters threaten the industries Hawai'i's economy and workers depend on for their livelihoods. As a state, we must invest in strategies that ensure our workforce is equipped to adapt to and address the challenges posed by the increasing threat of disasters and a changing climate.

We support bill HB504 because it would support several key workforce development areas:

- **Funding for resilience projects:** Raising revenues for projects that improve Hawai'i's environmental resilience to disasters and climate change could create new job opportunities in climate adaptation, environmental conservation, and infrastructure resilience.
- **Funding for destination management to reduce visitors impacts on the natural environment:** The tourism industry employs more than 200,000 workers in Hawai'i and accounts for roughly a quarter of our state's economy. With the increased threat of disasters in Hawai'i, we must take steps now to make this industry more resilient to and capable of adapting to climate change. Proper destination management should support workers in this sector and ensure our tourism industry becomes more sustainable and resilient.

We urge the state to take a coordinated, comprehensive approach to establishing and dispensing these funds by collaborating with organizations, educational institutions, and businesses already doing this work. We must invest in workforce development strategies that have proven effective to ensure our local workforce is equipped and supported to facilitate disaster resilience and climate change mitigation projects. HWFC has conducted extensive research on workforce development strategies that are effective and published recommendations in its recent report [*From Crisis to Opportunity: Building Hawai'i's Workforce Resilience*](#).

HWFC envisions a future in which every resident has access to quality, future-ready work that provides a family-sustaining wage, and where every employer has access to highly skilled, locally trained workers that strengthen their business. This bill would help current and future generations of workers and employers by investing in disaster resilience and climate adaptation, creating opportunities for good jobs that allow people to remain rooted in the islands, and fortifying Hawai'i's precious natural resources that many of our state's industries rely upon.

Thank you for the opportunity to testify in support of HB504, HD2, SD1.

Thank you,



Matt Stevens

Executive Director

Hawai'i Workforce Funders Collaborative



To: The Honorable Senator Donovan DelaCruz, Chair, the Honorable Senator Sharon Moriwaki, Vice Chair, and Members of the Committee on Ways and Means.

From: Hawai'i Reef and Ocean Coalition (by Ted Bohlen)

Re: **Hearing HB504 HD2 SD1 RELATING TO ENVIRONMENTAL STEWARDSHIP**

Thursday April 3, 2025, at 10:01 a.m. CR211

Aloha Chair DelaCruz, Vice Chair Sharon Moriwaki, Vice Chair, and Members of the Committee on Ways and Means!

The Hawai'i Reef and Ocean Coalition (HIROC) is a group of scientists, educators, filmmakers and environmental advocates who have been working since 2017 to protect Hawaii's coral reefs and ocean. We support funding for environmental stewardship measures to protect the environment, reefs and ocean. The mission of the Climate Protectors Hawai'i is to educate and engage the local community in climate change action. We support funding for environmental stewardship measures to protect the environment and reduce climate heating and its impacts.

Hawai'i Reef and Ocean Coalition and Climate Protectors Hawai'i **STRONGLY SUPPORT HB504 HD2 SD1!**

Hawai'i's natural environment faces **significant environmental pressure from the heavy use it receives from visitors** traveling to enjoy the State's natural resources. Pathways are eroded, bathrooms overloaded, marine life trampled, signage ignored, and the lack of staffing by state and county agencies puts a huge burden on communities and non-profits. The **stability of the State's natural systems is threatened, including food systems, water quality, ecosystems, fisheries, economic resilience, and health and safety.**

The current **underinvestment in the State's natural resources poses a significant liability to the visitor industry and to Hawai'i's residents.** It is estimated that **we need at least \$560 million more each year to effectively care for our natural and cultural resources in Hawai'i! Federal funding cuts will reduce our ability to protect our natural resources.**

The **escalating impacts from climate heating** also create an increasing threat to Hawai'i's island ecosystem and communities. The protection, management, restoration, and stewardship of Hawai'i's natural resources is an essential piece toward gaining resilience as an island to climate disasters. **Additional funding is needed to restore the State's natural resources to help prevent climate crises from occurring, including wildfires, floods, coastal erosion, and degradation of coral reefs.**

It is reasonable to ask visitors to help contribute to caring for the environment they enjoy during their stay, and the transient accommodations tax offers an existing program to do so. This bill would **create a source of revenue for environmental stewardship, to be implemented through additional funding to the Department of Land and Natural Resources (DLNR).** For a more detailed understanding of specific projects these funds could support, DLNR's Division of Forestry and Wildlife has an interactive story map highlighting ongoing and potential environmental stewardship initiatives across the state. Viewers can learn about the location, budget, and descriptions of over 80 possible projects.

This bill would **increase the transient accommodations tax per commercial passenger per port entry.** It has the potential to generate essential funding to restore the State's natural resources, assist in preventing and responding to climate crises, and leave a more positive environmental legacy for future generations. **The increased tax is a reasonable and appropriate way to generate these needed revenues. An increase of \$20 per night will not materially increase cruise vacation costs. Failure to maintain Hawaii's natural resources and pristine environment, on the other hand, will lead to fewer visitors.**

It is critical that any funding generated from this charge to visitors go to protecting natural resources only! Our communities know the solutions. Funding should be distributed to solutions that are community based and facilitate partnerships between community and agencies.

For years, there has been wide public support for environmental program fees. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. ***The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee. Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary.***

This is the year elected leaders must **act to keep our communities safe**. We cannot wait for another fire, flood, or coral bleaching season without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations.

Please help care for Hawaii's environment by passing this bill with an environmental stewardship fee that is dedicated solely to protecting natural resources within the purview of the Department of Land and Natural Resources.

Mahalo!

Hawai'i Reef and Ocean Coalition and Climate Protectors Hawai'i (by Ted Bohlen)



Maui Hotel & Lodging
ASSOCIATION

COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair

Senator Sharon Y. Moriwaki, Vice Chair

April 2, 2025

Testimony in **Strong Opposition** to HB504 HD2 SD1

Aloha Chair Dela Cruz, Vice Chair Moriwaki, Committee members,

I am writing on behalf of the Maui Hotel and Lodging Association to express our **strong opposition** to HB504 HD2 SD1, which proposes an increase in the Transient Accommodations Tax (TAT). While we fully recognize the urgent need to address environmental stewardship, we believe that the proposed hike in the TAT would have devastating effects on Maui's struggling tourism industry.

Maui's visitor numbers and spending have been notably low, and our local businesses are already facing extremely challenging economic conditions. At this critical time, the tourism industry is still working to recover from past disruptions, and an increase in the TAT would only serve to further hinder that recovery.

Hawaii already carries the distinction of having the highest tourism tax rates in the nation. Raising the TAT at this juncture would further diminish our competitiveness in the global tourism market, putting us at a disadvantage compared to other destinations. While we wholeheartedly support efforts to address climate change and enhance economic resilience, we urge that alternative funding mechanisms be explored to avoid the potential harm that this tax increase would cause to Maui's economy and the livelihood of those who depend on tourism.

We appreciate your consideration of our concerns and respectfully request that HB504 SD2 HD1 be revisited with an eye toward balancing necessary environmental efforts with the realities facing our local economy.

Mahalo,

John Pele

Executive Director-Maui Hotel and Lodging Association



April 3, 2025 - HB504 WAM Hearing 10:01 am

To: Chair Dela Cruz, Vice Chair Moriwaki, and the Senate Committee on Ways and Means

Re: **STRONG SUPPORT** of **HB504 HD2 SD1**: Relating to Environmental Stewardship

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and the Senate Committee on Ways and Means

Mālama Pūpūkea-Waimea
Post Office Box 188
Hale'iwa, HI 96712

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Makai Watch Coordinator*

Federal Nonprofit Organization
501(c)(3) FEIN 27-0855937
www.pupukeawaimea.org
info@pupukeawaimea.org

Mālama Pūpūkea-Waimea (MPW) is a grassroots, community non-profit that actively works to care for, educate about, and protect our fragile, near-shore marine ecosystems. Our mission is "working to replenish and sustain the natural and cultural resources of the Pūpūkea and Waimea ahupua'a for present and future generations through active community stewardship, education, and partnerships.

We write in **STRONG SUPPORT** of **HB504 HD2 SD1**, which is primarily aimed at increasing funding for environmental stewardship and related climate projects through a modest increase in the TAT.

As Section 1 of the bill states: "The legislature finds that Hawaii's natural resources, including reefs, oceans, forests, streams, estuaries, shorelines, and beaches, provide irreplaceable and invaluable benefits to visitors, residents, and the global community. . . . " "Hawaii's natural environment faces significant environmental pressure from climate change and heavy use it receives from persons traveling to enjoy the State's natural resources."

As a stewardship organization at a visitor "hot spot" (Pūpūkea and Waimea)that has seen exponential growth in human impacts over the past several years, MPW sees first-hand the urgent need for long-term investment in our natural resources. There is currently little or no direct funding coming from the state or counties to protect, let alone restore, beach parks and marine reserves. Minimum daily facilities maintenance is barely keeping up while the resources are declining.

For our residents and visitors alike, we need to invest substantially more or we will lose our precious environment – the return is well worth it. Visitors MPW have surveyed indicate a willingness to pay fees to give back to the resources they enjoy. A small TAT increase makes sense.

If the funding goes to DLNR, MPW strongly prefers a version of HB504 that would: (1) create a transparent commission and selection process for competitive proposals to fund natural resources and resilience initiatives, (2) allow community groups to apply for those funds as co-managers with DLNR, and (3) create a durable and substantial increase in the investment in protecting and restoring mauka to makai.

Mahalo,

Denise Antolini
President, MPW



SENATE COMMITTEE ON WAYS AND MEANS

APRIL 3, 2025

HB 504, HD2, SD1, RELATING TO ENVIRONMENTAL STEWARDSHIP

POSITION: SUPPORT

Coalition Earth **supports** HB 504, HD2, SD1, relating to environmental stewardship, which amends the transient accommodations tax rate beginning on 1/1/2027; beginning 1/1/2027, requires collection of a monthly tax of \$20 per passenger per port entry or any commercial passenger vessel at any port facility under the jurisdiction of the department of taxation; establishes a Transient Accommodation Tax Enforcement Working Group; requires the transfer of all agricultural leases under the jurisdiction of the Department of Land and Natural Resources to the Department of Agriculture; appropriates funds to the Department of Land and Natural Resources for certain environmental stewardship projects; and requires reports.

According to a report produced by the Hawai'i Climate Change Mitigation and Adaptation Commission, global sea levels could rise more than three feet by 2100, with more recent projections showing this occurring as early as 2060. In turn, over the next 30 to 70 years, approximately 6,500 structures and 19,800 people statewide will be exposed to chronic flooding. Additionally, an estimated \$19 billion in economic loss would result from chronic flooding of land and structures located in exposure areas. Finally, approximately 38 miles of coastal roads and 550 cultural sites would be chronically flooded, on top of the 13 miles of beaches that have already been lost on Kaua'i, O'ahu, and Maui to erosion fronting shoreline armoring.

As we work to reduce carbon emissions and stave off the worst consequences of climate change, we must begin preparing for the adverse impact of sea level rise on our shores. We are now quantifying the speed at which we must act. We cannot continue to develop the 25,800-acre statewide sea level rise exposure area—one-third of which is designated for urban use—without risking massive structural damage and, potentially, great loss of life.

Just two years ago, we witnessed the impact of the climate emergency on our shores. On August 8, 2023, wildfires swept across Maui and killed at least 100 people, making it one of the nation's deadliest natural disasters. The spread of the fires has been attributed to climate change conditions, such as unusually dry landscapes and the confluence of a strong high-pressure system to the north and Hurricane Dora to the south. The wildfires destroyed over 2,200 structures, including numerous residential buildings, historic landmarks, and school facilities. In September 2023, a report from the United States Department of Commerce estimated the total economic damage of the wildfires to be roughly \$5.5 billion. Investing in renewable energy generation could not be more urgent, given the growing threat of climate catastrophes to our island home.

Therefore, **our state should take steps to accelerate our transition to a clean energy economy and continue our fight against climate change, including by implementing “green fees” that ensure our state’s visitors pay their fair share to sustain our ‘āina.** In 2019, Conservation International published a report on our need to boost funding to defend our islands’ natural resources. Entitled “Green Passport: Innovation Financing Solutions for Conservation In Hawai‘i,” the report concluded that the state has an annual spending gap of \$358 million to sufficiently manage its natural environment. **A 2024 update to this figure for the Care for ‘Āina Now Coalition found that the gap has ballooned to \$580 million,** while our natural and cultural resources provide over \$6 billion in value to our economy each year.

New Zealand, the Maldives, Cancun, and Venice, and numerous other countries have green fee programs for visitors, which vary from \$1 per night to a \$100 entrance fee for the purpose of environmental conservation. **Palau’s per-tourist investment in its natural environment is \$92, New Zealand’s is \$188, and the Galapagos Islands’ is \$373. Hawai‘i’s is just \$9 per tourist,** according to the Green Passport report. We need to catch up.

We are facing a similar gap when it comes to generating sustainable revenue to combat the worst effects of the climate emergency. In June of last year, the state reached a settlement agreement in the landmark case of *Navahine v. Hawai‘i Department of Transportation*, in which Gov. Josh Green acknowledged the constitutional rights of Hawai‘i’s youth to a life-sustaining climate and confirmed the commitment by HDOT to plan and implement transformative changes to Hawai‘i’s transportation system to achieve the state’s goal of net-negative emissions by 2045. The agreement included numerous provisions for climate action, such as:

- Establishing a Greenhouse Gas Reduction Plan within one year of the agreement, laying the foundation and roadmap to decarbonize Hawai‘i’s transportation system within the next 20 years;
- Creating a lead unit and responsible positions within HDOT to coordinate the mission of GHG reduction throughout the agency; oversee climate change mitigation and adaptation for the highways program; and ensure implementation of the Complete Streets policy of building and upgrading public highways for all users, ages, and abilities;
- Establishing a volunteer youth council to advise on HDOT mitigation and adaptation commitments in the years to come;

- Improving the state transportation infrastructure budgeting process to prioritize reduction of GHG and vehicles miles traveled (VMT) and transparently analyze and disclose the GHG and VMT impacts of each project and the overall program; and
- Making immediate investments in clean transportation infrastructure, including completing the pedestrian, bicycle, and transit networks in five years, and dedicating a minimum of \$40 million to expanding the electric vehicle charging network by 2030.

On January 28th, Gov. Green issued an executive order to promote and expedite the development of renewable energy in our state. Amidst uncertainty regarding renewable energy policy created by the Trump administration and concerns over grid stability across the state, the order accelerates renewable development for neighbor island communities to hit 100 percent renewable portfolio standards from 2045 to 2035, sets a statewide goal of 50,000 distributed renewable energy installations (such as rooftop solar and battery systems) by 2030, and directs state departments to streamline the permitting of renewable developments to reduce energy costs and project development timelines.

These ambitious actions are essential to the preservation of our state's and our keiki's future. We must ensure that funding is available to meet our obligation to safeguard our planet from the climate catastrophe for generations to come.

Sincerely,

Kris Coffield

Kris Coffield, Chairperson, Board of Directors

*Coalition Earth is a nongovernmental organization that works to preserve the well-being of people and our planet. We champion policies that advance climate resilience, clean energy, public health, and economic fairness for working families. **Contact us at info@coalitionearth.org.***



HAWAI'I LAND TRUST

House Committee on Ways and Means

Date: Thursday, April 3, 2025

Time: 10:01 am

Place: CR 211 & via videoconference

Re: **SUPPORT – HB504 HD2 SD1, Relating to Environmental Stewardship**

Aloha e Luna Ho'omalua Dela Cruz, Luna Ho'omalua Moriwaki a me nā Lālā o ke Kōmike:

Hawai'i Land Trust **SUPPORTS** HB504 HD2 SD1, which proposes an increase in the Transient Accommodations Tax (TAT) to generate dedicated funding for environmental stewardship through the Department of Land and Natural Resources (DLNR).

As an organization dedicated to protecting and stewarding Hawai'i's natural and cultural landscapes, we believe this measure is essential for ensuring responsible land use practices that balance tourism with conservation. Hawai'i's natural resources face serious and growing threats from climate change, visitor impacts, invasive species, and other pressures that are compounded by significant underfunding for land stewardship. HB504 HD2 SD1 would provide critical resources to protect native forests, restore coastal lands, preserve aquatic resources, and strengthen resilience against climate-related disasters such as wildfires and floods.

By directing additional revenue toward resource conservation, this measure supports long-term sustainability and resilience. Protecting these places is not just an environmental necessity—it is vital to Hawai'i's cultural heritage, economy, food security, and the well-being of future generations.

I ola ka 'āina, i ola kākou nei. Healthy lands support thriving communities. HB504 HD2 SD1 provides a pathway for ensuring that Hawai'i's natural and cultural resources remain protected for generations to come.

Mahalo for this opportunity to testify,

'Olu Campbell

President and Chief Executive Officer

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TRANSIENT ACCOMMODATIONS; Rate Increase to Fund Natural Resource Protection, Management and Restoration

BILL NUMBER: HB 504 HD 2 SD 1

INTRODUCED BY: Senate Committee on Economic Development and Tourism

EXECUTIVE SUMMARY: Amends the transient accommodations tax rate beginning on 1/1/2027. Beginning 1/1/2027, requires collection of a monthly tax of \$20 per passenger per port entry or any commercial passenger vessel at any port facility under the jurisdiction of the department of taxation. Establishes a Transient Accommodation Tax Enforcement Working Group. Requires the transfer of all agricultural leases under the jurisdiction of the Department of Land and Natural Resources to the Department of Agriculture. Appropriates funds to the Department of Land and Natural Resources for certain environmental stewardship projects. Requires reports to the Legislature.

SYNOPSIS: Amends section 237D-1, HRS definition of “transient accommodations” to include furnishing of a cabin or stateroom on a commercial passenger vessel.

Amends section 237D-2(a), HRS, to change the default TAT rate from 9.25% to ____%.

Amends section 237D-2(b), HRS, adding a new tax in subsection (f) on transient accommodations broker, travel agency and tour packagers.

Amends section 237D-2(c), HRS, to change the default TAT rate from 9.25% to ____% .

Amends the section 237D-2(e), HRS, TAT rate for the period 1/1/2018 to 12/31/2030 from 10.25% to ____%. Additionally, ____% of the TAT revenues collected pursuant to this subsection shall be deposited to the mass transit special fund; currently revenues in excess of 9.25% are being deposited, with the balance deposited to the general fund.

Adds section 237D-2(f),HRS, for a monthly tax of \$20 per passenger per port entry on any commercial passenger vessel at any port facility. Per passenger taxes are charged on a per voyage or per itinerary basis and will not be charged more than once per port entry if a vessel uses a state commercial harbor property or facility more than once on a single voyage or itinerary

Part II, section 4 of the measure establishes a transient accommodations tax enforcement working group within the department of taxation. The working group shall assess and make recommendations on enforce the TAT, including a mechanism to ensure collection from all transient accommodations subject to the tax.

EFFECTIVE DATE: July 1, 3000.

STAFF COMMENTS: Our comments are limited to the tax sections of this measure.

The bill includes unspecified tax and surcharge rates. The bill cannot be scored for revenue gain/loss in its current form, and cannot be vetted properly unless numbers are inserted. We assume from the preamble of the bill that a TAT increase is intended.

Additionally, the measure expands the reach of tax to transient accommodations on commercial vessels. The tax would apply to transient accommodations brokers, travel agency and tour packagers at a rate of \$20 per passenger per port entry on a per voyage or per itinerary.

This proposed increase in TAT will be borne largely by visitors. With the recent ability of counties to impose their own TAT charge, Hawaii already has the highest accommodation tax in the country. Although the bill's proponents may think that this is simply picking the pockets of our tourists to help our own, there may be ripple effects from further squeezing our tourists. What policy makers need to realize is that the more they extract from the economy in taxes and fees, the more economic performance declines. To put it specifically, tourists can't vote for our lawmakers at the ballot box but they can vote with their feet. We aren't the only resort island destination in the world, and the tourists know this. As economic performance declines, so do tax revenues.

Digested: 4/1/2025



RESOURCES LEGACY FUND®
CREATIVE SOLUTIONS. LASTING RESULTS.

DATE: April 3, 2025

Re: Strong Support for HB504 HD2 SD1, Relating to Environmental Stewardship

Aloha Chair Dela Cruz, Vice Chair Moriwaki , and esteemed committee members,

On behalf of Resources Legacy Fund, I am writing to express our strong support for HB504 HD2 SD1. This bill amends the transient accommodations tax (TAT) to increase revenue dedicated to environmental stewardship, including the protection, management, and restoration of Hawai'i's natural resources.

Hawai'i's natural environment is central to the state's identity and appeal, offering stunning landscapes and unique ecosystems enjoyed by millions of visitors. Our ecosystems sustain our way of life as residents, ensuring our freshwater supply and protecting our coastal infrastructure. Heavy visitation and escalating climate change impacts—such as wildfire, flooding, coastal erosion and coral bleaching—have taken a toll, creating urgent challenges that require immediate action and durable investment.

Resources Legacy Fund partners with communities and government to advance innovative solutions to catalyze action for conservation, equity, and climate solutions. With extensive experience supporting conservation policies and sustainable funding mechanisms, we are committed to ensuring long-term environmental stewardship for Hawai'i.

HB504 HD2 SD1 provides a much needed, dedicated and durable funding mechanism by channeling TAT revenue directly to the Department of Land and Natural Resources (DLNR). This funding will support critical conservation efforts such as restoring native forests and watersheds that supply our drinking water and reduce our wildfire risk and protecting coral reefs that feed our communities and protect us from coastal flooding.

This new funding must also be made available to community and conservation organizations that partner with government to care for Hawai'i's lands and waters. The Care for 'Aina Now coalition, which RLF participates in, urges that 25-50 percent of the funding be available through grants to community and conservation organizations.

This measure is more than an environmental safeguard—it is an investment in the safety of our communities and in Hawai'i's future. By linking tourism to stewardship, HB504, HD2, helps preserve Hawai'i's natural and cultural resources while supporting its tourism economy.

We respectfully urge the committee to approve this legislation and ensure a sustainable future for Hawai'i. Please call on us to assist in development of the final language for this measure. Thank you for the opportunity to testify.

**Testimony of The Nature Conservancy
Supporting HB504 HD2 SD1, Relating to Environmental Stewardship
Committee on Ways and Means
April 3, 2025 at 10:01 am
Conference Room 211 and via Videoconference**

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

Mahalo for the opportunity to testify today. The Nature Conservancy (TNC) Hawai'i and Palmyra supports HB504 HD2 SD1, which appropriates funds to the Department of Land and Natural Resources (DLNR) for certain environmental stewardship projects, establishes a Transient Accommodation Tax Enforcement Working Group, and requires the transfer of all agricultural leases under the jurisdiction of the DLNR to the Department of Agriculture. Beginning 1/1/2027, requires collection of a monthly tax of \$20 per passenger per port entry or any commercial passenger vessel at any port facility under the jurisdiction of the department of taxation.

Hawai'i faces surmounting environmental challenges like wildfires, disappearing coastlines, bleached coral reefs, and an underinvestment in the management of these natural and cultural resources. As an island region, our community safety faces growing risk the longer we go without significant funding toward environmental protection and restoration. Hawai'i is in immediate need of additional resources to conserve and protect our ecosystems, native species, coastlines, and the community livelihoods that depend on these resources.

Unfortunately, as a community we have not committed the level investment needed to properly manage and conserve and build resilience in these resources. In a recent report on the state of financing Hawaii's natural resources, the Care for 'Āina Now Coalition found that Hawai'i has an annual conservation funding gap between \$561 million and \$1.69 billion per year. If we don't immediately address these needs, we will only find it harder to safeguard the treasured resources we all hold dear.

At the same, millions of visitors come to Hawai'i to experience our unique natural and cultural resources every year, which puts immense pressure on these already strained environments. An environmental stewardship fee would establish a reciprocal relationship between visitors and the environment, ensuring that Hawai'i remains a paradise by maintaining the integrity of its ecosystems. Recent polling funded by the Nature Conservancy and the Trust for Public Land shows that 76% of visitors (and 85% of repeat visitors) are willing to pay an annual visitor

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fee to protect and restore land, water, wildlife and cultural resources, including 25% that stated they would be more likely to visit if such structures were in place.

HB504 HD2 SD1 is one clear pathway to protecting, restoring, and enhancing Hawai'i for our local communities and the visitors we share it with, for future generations and beyond. By adjusting the Transient Accommodations Tax, closing loopholes, and committing funds directly to mālama 'āina, HB504 HD2 makes the long-term, sustained investment we so desperately need. We urge the Committee to support this important measure.

Mahalo for the opportunity to testify in support of HB504 HD2 SD1.

Guided by science, TNC is a non-profit organization dedicated to the preservation of the lands and waters upon which all life depends. The Conservancy has helped protect more than 200,000 acres of natural lands in Hawai'i and Palmyra Atoll. We manage 40,000 acres in 13 nature preserves and have supported over 50 coastal communities to help protect and restore the nearshore reefs and fisheries of the main Hawaiian Islands.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 211
Thursday, April 3, 2025 AT 10:01 A.M.

To The Honorable Senator Donovan M. Dela Cruz, Chair
The Honorable Senator Sharon Y. Moriwaki, Vice Chair
Members of the committee on Ways and Means

OPPOSE HB504 HD2 SD1 RELATING TO ENVIRONMENTAL STEWARDSHIP

The Maui Chamber of Commerce **OPPOSES HB504 HD2 SD1** which amends the transient accommodations tax rate; requires collection of a monthly tax of \$20 per passenger per port entry or any commercial passenger vessel at any port facility under the jurisdiction of the department of taxation; establishes a Transient Accommodation Tax Enforcement Working Group; requires the transfer of all agricultural leases under the jurisdiction of the Department of Land and Natural Resources to the Department of Agriculture; and appropriates funds to the Department of Land and Natural Resources for certain environmental stewardship projects..

Hawai'i already has a reputation for having the highest visitor taxes of any destination in the world. In addition to taxes on visitor accommodations, visitors are also subject to the general excise tax (GET), rental car fees and taxes on our roads, parking fees at state parks, and other taxes and fees assessed on activity-based businesses, all of which are passed down to the consumer. We have also seen accommodation rates increase, which is impacting visitor spending in other areas. We are hearing from activity companies, restaurants, and other businesses that they are struggling, and a higher TAT would further burden these businesses, leading to reduced spending in industries that rely on the visitor market.

While we appreciate the focus on economic development, we are deeply concerned about the impact this measure, particularly with its placeholder for a future TAT increase, will have on our visitor industry. Maui's visitor counts and spending remain low, and businesses are struggling. This proposed increase could further hinder our economic recovery, which is still below pre-pandemic levels and was severely impacted by the wildfires in August 2023.

For these reasons, we **OPPOSE HB504 HD2 SD1**.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

Hawai'i Ocean Legislative Task Force



April 3, 2025

Hawai'i State Legislature
Senate Committee on Ways & Means

Re: Testimony in SUPPORT of HB504 HD2 SD1, Relating to Environmental Stewardship

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

The Ocean Legislative Task Force, a coalition of over 120 individuals and organizations committed to protecting Hawai'i's marine ecosystems, supports HB504 HD2 SD1, Relating to Environmental Stewardship. This bill amends the transient accommodations tax (TAT) to increase revenue dedicated to environmental stewardship, including the protection, management, and restoration of Hawai'i's natural resources.

Hawai'i's natural resources are the foundation of its communities, culture, and overall well-being. From native forests and freshwater resources to coastal lands and coral reefs, these ecosystems provide essential benefits such as clean water, biodiversity, and protection from natural disasters. However, climate change and environmental degradation continue to threaten these irreplaceable resources, increasing the risk of wildfires, coastal erosion, and ecosystem collapse. Without sufficient funding for conservation and restoration, these challenges will only grow more severe.

HB504 HD2 SD1 provides many elements of necessary solutions by establishing a dedicated funding source to protect and restore Hawai'i's environment. By increasing the transient accommodations tax, the state can allocate much-needed resources to the Department of Land and Natural Resources, ensuring proper management of ecosystems and effective responses to climate-related threats. Investing in environmental stewardship is essential for maintaining the stability of Hawai'i's food systems, water supply, and public health.

This measure is a responsible and forward-thinking approach to safeguarding Hawai'i's future. Protecting the state's natural resources is not only a constitutional responsibility but also a moral obligation to current and future generations. We support HB504 HD2 SD1 and wish to serve as a resource to legislators as they resolve language in this bill to secure a healthier and more resilient Hawai'i.

Mahalo for the opportunity to testify in support of this important measure.

The Ocean Legislative Task Force advocates for measures that promote funding for natural resource protection and restoration, ocean resources, coral reefs, subsistence fishing, and coastal resilience, and other priorities.



Care for 'Āina Now Coalition

April 3, 2025

Senate Committee on Ways & Means
Sen. Donovan Dela Cruz, Chair; Sen. Sharon Moriwaki, Vice Chair
Members of the Committee

Re: The Imperative of Allocating Adequate Funding to Protect Natural Resources
Support HB504 HD2 SD1, Relating to Environmental Stewardship

Aloha kākou,

On behalf of our coalition's leadership committee, we are writing in strong support of HB504 HD2 SD1, to generate funding for natural resource protection and restoration. The Care for 'Āina Now Coalition is on a mission to enhance visitor stewardship, conserve our cultural and natural resources, and invest in our 'āina to keep our community safe.

The health of Hawai'i's environment is inextricably linked to the health of our people, communities, and future generations. Our natural and cultural resources provide over \$6 billion in value to our economy each year yet have been chronically neglected and stewardship of these resources have been underfunded for decades. It's been estimated that we currently face a conservation funding gap of \$560 million per year. Today, this underinvestment continues to be a liability and risk to public safety. The more time that passes without healing our environment, the more lives, places, and communities are at risk of being harmed.

Our primary focus is adequate, permanent funding for the Department of Land and Natural Resources and community organizations to support stewardship and restoration of our natural resources. There are simple ways our State can safeguard our 'āina and people this year, including passing legislation that ensures visitor taxes go back to our environment through the TAT, and allocating funds for wildfire prevention and ecosystem resilience. These will help Hawai'i chart a new course that can sustain us.

This coalition, which works on the frontlines of natural and cultural resource management across the State, applauds the legislature for continuing to consider these solutions. We urge you to consider the crucial need for sustainable, broad-based investment to meet the immense challenges our environment faces, offset the impact left by nearly 10 million annual visitors, and invest in the long-term health of our communities. Hawai'i's natural resources are invaluable to the livelihoods of our local residents and integral drivers of our statewide economy as well as our visitor industry.

Please support HB504 HD2 SD1.

HB-504-SD-1

Submitted on: 4/1/2025 11:37:38 AM

Testimony for WAM on 4/3/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
Liat Portner	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs, Vice Chairs, and Members of the Committee,

My name is Liat Portner and I am submitting written testimony in **strong support** of HB504, which would help dedicate funding toward Hawai‘i’s natural and cultural resources that sustain the safety of our people, place, and economy. I live on O‘ahu and grew up in Mānoa Valley. I live in Hale‘iwa and drive between the North and South side of the island a couple of times a week for work and to see my family. This drive has always inspired me, the Ko‘olau mountains going on and on in the background and Mauna Ka‘ala in the Wai‘anae range rising up above everyone. This drive was *a driver* in my pursuit of natural resources management, conservation biology, and environmental education as a career. I longed to see the island from those places that loomed above us. I love our islands. Taking care of them nourished me both physically and metaphysically.

But committing to this work comes with sacrifices. Early career professionals often have to work two jobs to be able to pay rent. I personally sacrificed the norm of "being on my own" and lived with my parents through my young adulthood, and to this day I rent from them so that I can afford to live on O‘ahu AND do the work that I love.

As a professional community, we are also taxed by feelings of being undervalued, we all do this because we love this place, and it is amazing to be able to do work that sits in personal passion and for some familial kuleana (whereby both people and place are familial). However, we are all "doing the best we can, with the limited resources we have." And we all imagine, what could we do, what would it be like to be better supported?

It is also a blow to watch how our community chooses to use resources so unsustainably when it comes to visitors. You folks know the numbers, our islands resident population is monumentally surpassed by the number of transient visitors annually. And while these people stimulate our economy, they generate an equally monumental tax on our resources.

We are watching the consequences of underinvesting in our ‘āina impact the people and places we love. Coral bleaching, fires, floods, and brown water pollution are harming the environment that sustains our visitor industry and economic livelihoods. This consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could

be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks come. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai‘i. Enacting legislation like HB504 could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

The protection, management, restoration, and stewardship of Hawai‘i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. We know that community organizations are working on the frontlines of resilience, adaptation, and stewardship, and this measure will empower experts across Hawai‘i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai‘i.

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai‘i with an enacted fee. Visitors and residents agree: giving back to the places you visit is more than acceptable, it’s necessary.

We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai‘i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,

Liat Portner

HB-504-SD-1

Submitted on: 4/1/2025 11:37:01 AM

Testimony for WAM on 4/3/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
Mark Hixon	Individual	Support	Written Testimony Only

Comments:

Aloha WAM Committee,

It makes perfect sense to me for visitors to pay modest fees to provide "funds to the Department of Land and Natural Resources for certain environmental stewardship projects."

Mahalo,

Mark Hixon

HB-504-SD-1

Submitted on: 4/1/2025 1:12:12 PM

Testimony for WAM on 4/3/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
Paul Lecomte	Individual	Support	Written Testimony Only

Comments:

I visited New Zealand in 2019, and as part of the visa process, I paid a small tax that supported the Department of Conservation and other non-profits to help mitigate the environmental impacts of tourism. This fee did not deter me from visiting—in fact, I gladly paid it, knowing that my contribution would help protect and restore the very resources and landscapes I would enjoy during my stay. It made my experience more meaningful, knowing that I was helping to preserve the natural beauty that drew me there in the first place.

This bill highlights an important issue: the often invisible, long-lasting environmental impact that tourism can have on our ecosystems. It is only fair to ask for a minor contribution from those who directly benefit from our environment to help offset the hidden costs of tourism. This bill is a practical and equitable approach to ensuring that visitors contribute to preserving Hawai‘i’s unique natural and cultural resources.

April 1, 2025

Submitting written testimony in opposition to HB504 HD2 SD1

I am a part time resident of the Waikiki Banyan and also rent out my unit. Each year with my one unit I support all local Honolulu based businesses spending approximately \$20,000 with City Mills, Kileau Pest, A1 Budget Plumbing, ABC Furniture, Tropical Escapes Realty property management, and others.

These bills

Hurt Small Businesses & Hawaii's Economy – Hawaii already has the country's highest transient accommodations taxes (TAT). Raising it further will make our state less competitive, impacting local operators and businesses and all residents.

Thank you!

Stephen Llorens

HB-504-SD-1

Submitted on: 4/1/2025 1:58:50 PM

Testimony for WAM on 4/3/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
Naomi Baquera	Individual	Support	Written Testimony Only

Comments:

Aloha, my name is Naomi Baquera and I am a 23 year old massage therapist living here in Honolulu. I am writing this testimony in strong support of HB504. Please, I urge you to take action on passing this legislation to increase funding for the environment and our land. Please listen with open hearts to the many concerned voices who wish to preserve and protect Hawai'i for future generations. We cannot continue to delay action, but we must see the urgency of caring for the land we live on and act upon it.

HB-504-SD-1

Submitted on: 4/1/2025 2:18:57 PM

Testimony for WAM on 4/3/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
Harley Wahl	Individual	Support	Written Testimony Only

Comments:

This is an essential step to take toward caring for our aina, especially considering the recent federal funding cuts of the new preidential administration.

HB-504-SD-1

Submitted on: 4/1/2025 2:21:56 PM

Testimony for WAM on 4/3/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
Ilana Nimz	Individual	Support	Written Testimony Only

Comments:

I support the measure to increase the TAT and dedicate that increase to environmental stewardship, climate resilience, and wildfire risk, and require DLNR to report annually on projects funded.

HB-504-SD-1

Submitted on: 4/1/2025 2:28:19 PM

Testimony for WAM on 4/3/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
Emmylou Anne Kidder	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs, Vice Chairs, and Members of the Committee,

My name is Emmylou A. Kidder and I am submitting written testimony in strong support of HB504, which would increase TAT in percentage, establish a working group for Department of Taxation to support changes, dedicate that increase to environmental stewardship, climate resilience, and wildfire risk. I am a resident of windward Oahu and work for environmental conservation organizations on O‘ahu and Kaua‘i. I am also a graduate student at Hawaii Pacific University pursuing a Master of Marine Science degree. Obviously Hawai‘i’s natural wonders and beauty bring tourists and money to the State. Protecting this beauty in the face of past, present, and future degradation of our land, water and oceans takes many dedicated people, smart strategies, and money. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai‘i. Enacting legislation like HB1504 could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods. This measure is a critical step toward a future where Hawai‘i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,
Emmylou A. Kidder
Kailua, HI

HB-504-SD-1

Submitted on: 4/1/2025 2:31:35 PM

Testimony for WAM on 4/3/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
Alex Filardo	Individual	Support	Written Testimony Only

Comments:

Position: Support of HB504

Senate Committee on Ways and Means

Aloha leaders,

It is time to ask visitors to help contribute to caring for the environment they enjoy during their stay, and the TAT is an existing ways to invite them. We are watching the consequences of underinvesting in our ‘āina, and Hawai‘i deserves a visitor that contributes to the places they come to enjoy.

I strongly support this measure and hope you will lead us to invest in the very environment that sustains us all.

Alex Filardo

HB-504-SD-1

Submitted on: 4/1/2025 3:36:27 PM

Testimony for WAM on 4/3/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
Tawn Keeney	Individual	Support	Written Testimony Only

Comments:

Testimony: HB504 HD2 SD1

Tawn Keeney MD

Below is a summary of the few papers and presentations available on the subject of Greenhouse Gas Emissions from Air Transport of Visitors to Hawaii. I have made several presentations to the Honolulu Climate Change Commission on this topic beginning in 2021. That Commission is currently preparing a Guidance Document entitled Hawaii Tourism and Climate Change. I have been designated a 'stakeholder' in upcoming discussions. The conclusion demonstrated in the outline below is that Visitors to Hawaii air transport GHG (equivalent) emissions amount to somewhere between **equal to** all of Hawaii's net domestic GHG emissions and **2x** all of Hawaii's net domestic GHG emissions.

The following is a synopsis of various studies and papers which have been produced on the subject of Greenhouse Gas Emissions resultant from Air Transport of Visitors to Hawaii in 2019. I produced a paper with that title which was presented to the Honolulu Climate Change Commission in 2021.

My very limited bibliography on this subject begins with Stewart Yerton from Civil Beat. His publication in 2020 on this subject arrived at a figure of 6 million tons CO2 emissions from visitor air transport. He framed this level as giving rise to concern. In response to this article UH researcher Andrei Shkvorov produced an article which had little distribution but was noticed by myself and triggered my writing the paper which I subsequently presented to the Honolulu Climate Change Commission. Mr. Shkvorov's paper pointed out that Yerton's analysis only reflected CO2 emissions but that even greater global warming factors derived from other emissions, notably water vapor, particulates and Nitrogen Oxides. Using the aviation emissions calculator from the Carbon Offset website, Terrapass, Mr. Shkvorov calculated 24 million tons CO2(equivalents) emissions, approximately twice all of Hawaii's reported domestic emissions at 13.4 million tons.

My paper was essentially a reiteration of the Shkvorov article. However, rather than use the method of one of the calculators of the global warming emissions from aviation available on the internet, I avoided the contention of bias by using an averaging of the 8 aviation emissions calculators I was able to find on the internet. My paper was printed in an e-journal of reprints of important climate change articles emphasizing the Hawaiian Islands which was edited by Mr.

Shkvorov, Climate Emergency Digest. My paper, using the above averaging method and using the flight and itinerary data from Hawaii Tourism Authority's numbers of visitors from eight global 'Regions of Origin' of visitors to Hawaii in 2019, arrived at a figure of 18 million tons CO₂(e). This was approximately 1-1/2x all of Hawaii's domestic emissions for that year.

Charles 'Chip' Fletcher, PhD., chair of the HCCC used the phrase 'very important data' in commenting on my paper. However the Honolulu Commission responded that their body was not the appropriate residence for this study in that this was a State rather than a County of Honolulu issue. It was recommended that this paper be presented to the State Climate Commission. This was done, however little apparent note was taken by that body.

In 2022 the Honolulu Climate Change commission was addressed once more with the request to study the issue of global warming emissions from air transport of visitors. Again, their response assigned the issue to the State level, but Commissioner Coffman (One of the several 'reviewers' of the Hawaii County Draft Integrated Climate Action Plan) graciously performed a 'back of envelope' calculation of those emissions using data from the State GHG Emissions Inventory, of which she was one of several authors.

Her finding, using the 'official data' from the State Greenhouse Gas Inventory and performing a sophisticated analysis, was that emissions from air transport of visitors was essentially equal to the Inventory's calculation of GHG emissions from all domestic sources for the year 2019, 13.5million tons CO₂(equivalent). Dr. Coffman accepted as reasonable, or at least acceptable, the strategy of using the average of the several aviation emissions Calculators found on the Internet thereby using the same Coefficient for calculation which I had used.

The difference in the outcomes between the Calculations of Dr. Coffman and myself lay in the origin of the data being analyzed. Dr. Coffman used the data of the State GHG Inventory. I used the data supplied by the Hawaii Tourism Authority on the numbers of visitors from each of eight global regions of origin of the visitors. I assigned an arbitrary 'airport of origin' in each of those regions. The travel to which the calculator tool was applied was the shortest possible round trip itinerary route between the arbitrarily assigned airport in that 'Region of Origin' and the Hawaii destination.

The difference between the finding of Dr. Coffman and my own calculation of visitor air travel emissions, 4.5 million tons CO₂(e) might be partially explained in that my calculations included Connecting Flights from the global originating airport whereas Dr. Coffman's calculation, using the 'official' Hawaii State GHG Inventory, would have used only the 'leg' of the visitor's itinerary which departed or arrived in Hawaii. Connecting flights beyond the Hawaii departure or arrival leg would not be included. However, my method of using the complete itinerary for this calculation is also open to the criticism exemplified by travel from Philadelphia to Los Angeles to see a family member, but then going on to Hawaii for a week of surf and sunshine. The assignment of Philadelphia to the origin of this visit is complicated. Or, travel across the Pacific with a 2 day stopover in Hawaii. Thus, neither method of calculation is able to present the whole picture. However, I would comment that the 4.5 million tons CO₂(e) discrepancy between the calculation of Dr. Coffman at 13.5M CO₂(e) tons and my own calculation of 18M tons might be mostly accounted for by this difference in method.

Coincidental with Dr. Coffman's presentation to the HCCC, the IPCC released it's Sixth Assessment Report subtitled Code Red for Humanity. In the Chapter on 'Short Term Climate Forcers' in the Section on Aviation, the IPCC endorses the method and findings of Lee, et al, for calculation of global warming emissions from aviation. In 2020 the most definitive study to date of global warming from aviation was published by this group in the Journal of Atmospheric Environment, representing the 'state of the science'. Using the method prescribed in this paper and 'endorsed' by the IPCC, the calculation of global warming emissions from visitors air travel to Hawaii can be reassessed.

Using that method which seems to be endorsed by the IPCC as best science, rather than averaging the aviation emissions calculators found on the internet, my calculation would be changed from 18 million tons CO₂(e) to 24 million tons CO₂(e), approximately twice the total of Hawaii's Domestic Greenhouse Gas emissions (duplicating Mr. Shkvorov's finding). Dr. Coffman's finding would be increased to 18 million tons, or 1-1/2x all of Hawaii's domestic emissions.

In conclusion, I contend that it can be confidently proposed that global warming emissions from air transport of visitors to Hawaii in 2019 lays somewhere between one to two times the total of all of Hawaii's domestic greenhouse gas emissions, if not even more (recognizing an altitude factor which is described in above response to Dr. Coffman's analysis). This is most realistically above 1-1/2x all Hawaii's domestic emissions and likely above 2x that total.

All of the State of Hawaii ground transportation emissions totals 4 million tons and all electricity generation totals 8 million tons CO₂(e). If our mitigation efforts include changing all vehicular travel to electric and all electricity generation to renewable sources, then surely we must acknowledge and do what is necessary to reduce as much as possible the emissions from Hawaii's tourism. Otherwise our conversion to renewable sources of energy is virtually meaningless. To begin with, the State and the County of Hawaii have to stop advertising and encouraging Hawaii as destination. Mahalo for your consideration.

Tawn Keeney MD

HB-504-SD-1

Submitted on: 4/1/2025 6:33:49 PM

Testimony for WAM on 4/3/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
Adrian Dougherty	Individual	Support	Written Testimony Only

Comments:

I support the institution of a green tax for tourists that will go to environmental resource management at the DLNR. These resources are WHY people come to Hawai'i and are what make our home so special. People visiting this place and benefiting from our natural resources should be willing to contribute to their preservation for our own community for generations to come.

HB-504-SD-1

Submitted on: 4/1/2025 6:14:50 PM

Testimony for WAM on 4/3/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
Jocelyn Whei-Tsi Grandinetti	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Lowen, Vice Chair Perruso, and Members of the Committee,

‘O Jocelyn Whei-Tsi Grandinetti ko‘u inoa, no Wai‘alaē Nui mai au. Aloha, my name is Jocelyn Whei-Tsi Grandinetti and I come from the ‘ili ‘āina of Wai‘alaē Nui on the island of O‘ahu. My mountain is Lanipō of the Ko‘olau range, and my waters are the waters that flow down Wai‘alaē Nui stream. I am submitting written testimony **in strong support of HB504**, which would help dedicate funding toward Hawai‘i’s natural and cultural resources that sustain the safety of our people, place, and economy. Having dedicated my life to building kuleana to caring for ‘āina in our keiki as an environmental educator, it is absolutely vital for Hawai‘i to have a solid financial foundation with which to enact more sustainable and proactive solutions for the benefit of future generations. If we want our keiki to stay in Hawai‘i and contribute to the islands, they need us to ensure that they will have a livable island on which to thrive.

We are watching the consequences of underinvesting in our ‘āina impact the people and places we love. Coral bleaching, fires, floods, and brown water pollution are harming the environment that sustains our visitor industry and economic livelihoods. This consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks come. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai‘i. Enacting legislation like SB1396 could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

The protection, management, restoration, and stewardship of Hawai‘i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. We know that community organizations are working on the frontlines of resilience, adaptation, and stewardship, and this measure will empower experts across Hawai‘i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. **I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai‘i.** I have been involved with organizations such as Kauluakalana, Ho‘okua‘āina, Sustainable Coastlines Hawai‘i, Kupu, Kōkua Hawai‘i Foundation, and so much more that are doing vital work to educate our keiki, restore ‘āina, and build community in a time of immense financial struggle and political disarray. My Master’s Thesis focused on biocultural restoration, and I found that while these groups do amazing work, their capacity is constantly

being limited by financial restraints and consequential quick staff turnaround, both of which could be addressed with a more solid financial foundation for these community group efforts.

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee. Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary.

We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,
Jocelyn Whei-Tsi Grandinetti

HB-504-SD-1

Submitted on: 4/2/2025 7:02:10 AM

Testimony for WAM on 4/3/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
Aaron Magee	Individual	Support	Written Testimony Only

Comments:

Aloha,

My name is Aaron Magee, and I am speaking in support of HB504 HD1.

Born and raised on Oahu, in my short lifetime I've seen my favorite beaches and hikes rapidly increase in popularity with little to no visible increase in the support to preserve these areas.

Relying on Hawai'i's steadily declining environment to continue attracting tourists is an unsustainable model.

Every other breath of air we take is made in our oceans. We cannot afford to rely on nature to continue taking on more responsibility to provide for us without appropriately investing back into it.

My experience seeing the decline in Oahu's ecosystem health is why I work in environmental conservation and in addition to state agencies such as the DLNR, nonprofit organizations must be recognized for their role on the frontline of stewardship, restoration, and education.

Tourist will only be resistant to a visitor fee if our islands aren't visibly more preserved. We must actually deliver a return on their investment and a crucial part of that means allocating a portion of the revenue to community initiatives and nonprofit organizations.

These groups have proven solutions and programs for stewarding our resources and to leave them out of the equation would be a clear misstep.

I urge you to include clear language supporting a NGO grant program to make it simple for our community organizations to access funding from this visitor fee.

To ensure this bill is truly effective, I recommend there be a dedicated NGO grant program to ensure funds support community initiatives, there be a public system for transparently reporting the use of funds, and an education component to show visitors how the fee works to keep Hawai'i beautiful.

Mahalo for your time and consideration.

HB-504-SD-1

Submitted on: 4/1/2025 6:14:30 PM

Testimony for WAM on 4/3/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
John Grandinetti	Individual	Support	Written Testimony Only

Comments:

Funding for environmental protection is mandatory. Our aina is under threat and this bill will help support sustainability efforts

Senate Committee on Ways and Means

April 2, 2025

Subject: Support for HB504

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

I am Melissa Chimera, a Landcare Program Specialist working with Dr. Clay Trauernicht, the UH Mānoa wildfire scientist on land stewardship as it relates to wildfire planning and mitigation. Preserving and protecting Hawaii's natural resources is a career-long concern of mine, having worked in ecological protection, Pacific island wildfire science and environmental education since 1996—for the Hawaii Army National Guard, the Nature Conservancy, Haleakala National Park, the Hawaii Wildfire Management Organization, and now UH Mānoa.

I have previously submitted testimony and continue to support House Bill 504 in its various versions, which would ensure our state has the necessary revenue via the TAT tax to help our communities adapt to climate change. This bill provides a responsible solution by increasing the Transient Accommodation Tax (TAT) and directing those funds toward disaster resilience projects like vegetation management and wildfire prevention. It is a small measure to help offset the tremendous impacts of the visitor industry—particularly the carbon footprint from air travel—on our natural resources. This measure takes a necessary step toward addressing the impacts of climate change while supporting responsible tourism management in Hawai'i.

I strongly support the state investing in the resilience of our communities, environment, and public infrastructure so we can better withstand extreme weather events and disasters. What happened in Lahaina could have happened to many communities across the state. This bill is a common-sense solution that ensures we are using our resources to prepare for the challenges of future disasters and make smart, long-term investments in the future of our environment and people.

The revenue generated from this tax increase can be directed toward initiatives such as vegetation management for wildfire prevention. I respectfully urge this committee to pass SB1396, as it will provide crucial funding for climate change adaptation and responsible tourism management, both of which are essential for the long-term prosperity and sustainability of our islands.

Thank you for the opportunity to submit this testimony.

Sincerely,

A handwritten signature in black ink, appearing to read "Melissa Chimera", with a stylized flourish at the end.

Melissa Chimera

Landcare Program Specialist

University of Hawai'i at Mānoa

Department of Natural Resources and Environmental Management

808-280-2669

HB-504-SD-1

Submitted on: 4/2/2025 9:10:38 AM

Testimony for WAM on 4/3/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Oppose	Written Testimony Only

Comments:

No on increased taxes.

Parts I and II should be separate from Parts III and IV and be stand alone bills.

Testimony in Strong Support of HB504

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Malia Heimuli, and I am from Kahalu'u, Ko'olaupoko, O'ahu. I urge you to pass HB504 to protect Hawai'i's natural resources by empowering community-led stewardship through the transient accommodations tax (TAT).

We cannot wait another year. Our 'āina faces escalating threats from climate change, wildfires, and coastal erosion. The August 2023 Lahaina disaster exposed the fragility of our ecosystems and the urgent need for action. HB504 ensures the TAT directly supports community-driven solutions—like watershed restoration, invasive species removal, and cultural practices—that DLNR can amplify through partnerships with local organizations.

We cannot risk another devastating disaster. Climate impacts are outpacing our current capacity. Federal funding gaps leave us vulnerable, but HB504 builds self-reliance by prioritizing local knowledge. This bill ensures that the work that DLNR, in partnership with nonprofits statewide, will have the funding support needed to steward our kuleana to our 'āina across Hawai'i.

The people of Hawai'i demand action. Residents and visitors alike recognize that our way of life depends on healthy ecosystems. HB504 aligns with the collective vision of community-based stewardship, where residents and nonprofits collaborate to strengthen resilience through education, reciprocity with 'āina, and measurable impact.

Our communities have the solutions—they need support. From traditional lo'i kalo restoration to modern debris prevention, local groups are already addressing environmental challenges. HB504 ensures the TAT sustains these efforts, fostering collaborations between DLNR, nonprofits, and cultural practitioners to protect our reefs, forests, and coastlines.

Pass HB504 to honor Hawai'i's legacy of stewardship. By directing TAT resources to community-led initiatives, this bill ensures our children inherit an 'āina that thrives through collective care. The time to act is now—our islands cannot wait.

Mahalo nui for your leadership and mālama pono,

Malia Heimuli

HB-504-SD-1

Submitted on: 4/2/2025 9:53:13 AM

Testimony for WAM on 4/3/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
Elena Vorm	Individual	Support	Written Testimony Only

Comments:

Please pass this bill if you care about the 'āina.

HB-504-SD-1

Submitted on: 4/2/2025 10:42:54 AM

Testimony for WAM on 4/3/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
Breanne Fong	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs, Vice Chairs, and Members of the Committee,

My name is Breanne Fong, and I am submitting written testimony in strong support of HB504, which aims to increase the transient accommodations tax and dedicate the additional funding towards environmental stewardship, and the care of our biocultural resources that sustain Hawai‘i.

I was born and raised on O‘ahu, specifically growing up in Niu and Kaimukī. I have grown connections to these places and as well as several other ‘āina that I continue to mālama and build relationships with. It is crucial that we take action to protect ‘āina for its great ecological and cultural significance.

We are watching the consequences of underinvesting in our ‘āina. We see coral bleaching, fires, floods, and brown water pollution harming the places we love and the places that sustain our visitor industry. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai‘i. It is time to ask visitors to help contribute to caring for the environment they enjoy during their stay, and the TAT offers an existing program to do so.

The protection, management, restoration, and stewardship of Hawai‘i's natural resources is an essential piece toward gaining resilience as an island to climate disasters. Healthier watersheds are less likely to flood, restored coral reefs contribute to food security, and caring for our islands sustains the economic livelihoods of our communities. But when it comes to this important work, nonprofit organizations and community groups have already undertaken this kuleana and are leading the way in stewardship. It’s important that any funding generated from visitors is distributed to solutions that are community based and facilitate partnerships between community and agencies. I recommend the inclusion of a community grant program to work in partnership with the Department of Land & Natural Resources to fulfill our stewardship needs.

There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai‘i with an enacted fee. Visitors and residents agree: giving back to the places you visit is more than acceptable, it’s necessary.

This is the year elected leaders must act to keep our communities safe. We have watched the consequences of underinvestment in our 'āina, and we cannot wait for another fire, flood, or bleaching season without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations.

I urge this committee to pass an environmental stewardship fee this session.

Mahalo for the opportunity to testify,

Breanne Fong

HB-504-SD-1

Submitted on: 4/2/2025 11:57:12 AM

Testimony for WAM on 4/3/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
Randy Cabral	Individual	Support	Written Testimony Only

Comments:

Support

HB-504-SD-1

Submitted on: 4/2/2025 12:07:35 PM

Testimony for WAM on 4/3/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
Kate Reimann	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs, Vice Chairs, and Members of the Committee,

My name is Kate Reimann from Oahu and I am submitting written testimony in strong support of SB1396, which would help dedicate funding toward Hawai‘i’s natural and cultural resources that sustain the safety of our people, place, and economy. This island is where we’re raising our two boys, teaching them to be stewards of the earth - this bill supports the future of the islands for them and reinforces what we know we need: support and protection for the Hawaiian Islands and its endangered biodiversity.

We are watching the consequences of underinvesting in our ‘āina impact the people and places we love. Coral bleaching, fires, floods, and brown water pollution are harming the environment that sustains our visitor industry and economic livelihoods. This consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks come. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai‘i. Enacting legislation like SB1396 could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

The protection, management, restoration, and stewardship of Hawai‘i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. We know that community organizations are working on the frontlines of resilience, adaptation, and stewardship, and this measure will empower experts across Hawai‘i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai‘i. We believe in this work and our effort reflect that: my family has volunteered at Haunama Bay to teach tourists to protect the reef, Sustainable Coastlines, and Surfrider, as well

as Aloha Harvest, harvesting fruit from fruiting trees to disperse to our community so as not to waste.

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee. Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary.

We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,

Kate Reimann

Oahu

Testimony of Sustainable Coastlines Hawai'i

4/2/2025

Bill: **HB504**

Committee: Senate WAM

Position: **Support**

Hearing Date: 4/3/25 10:00 AM

Aloha Chair Dela Cruz and Members of the WAM Committee,

My name is Rafael Bergstrom, the Executive Director of Sustainable Coastlines Hawai'i (SCH), a local nonprofit with a mission to inspire communities to care for coastlines. SCH is in support of HB504 and the creation of an environmental stewardship fund. We appreciate the opportunity to offer support for this program that escalates in need every year. Please read below for a more detailed look at who we are and why we support these efforts. While there are things that we love about HB504 in its current form, we also offer upfront the need for a few **amendments**:

- We believe that in addition to DLNR receiving funding to expand and continue their important work, funds should also be directed to a community NGO **grant program** that is simple and get funds to the organizations that tirelessly dedicate their energies to making sure Hawai'i is protected, restored, and enhanced.
- We encourage the committee to continue exploring the possibility of mechanisms of collection that will provide a dedicated fund that is not wrapped up in other revenue streams.
- An **educational component** (videos, signage, etc.) of these fees should be mandated by law in order to help visitors understand the positive momentum they are creating by supporting the work of DLNR and other 'āina based organizations. This will enhance the experience of everyone who comes to the islands.

The vision of SCH is a world of inspired people, clean beaches, and healthy coastlines. Visitor engagement and education, volunteerism, and restoration efforts are all core actions of how we achieve our mission. Over the past 14 years SCH has removed 750,000 lbs. of debris from our coastlines, united 50,000 volunteers, reached 55,000 students with presentations and immersive education, and waded through a destructive mess of plastic pollution. We are experts on plastic pollution, the consequences of inaction, and the solutions we have at our fingertips.

The impact of visitors to our islands can be seen everywhere. While it is of course necessary to acknowledge the economy that is created around this industry, it is equally, if not more important, to understand the negative externalities of that industry and be proactive in mitigating them. While inviting visitors to be better stewards of the islands should continue, it is not enough. Our islands run huge deficits when it comes to funding both reactive and proactive conservation and sustainability efforts. The current levels of impact are not sustainable for a livable future in Hawai'i. We need more funding to expand this work, especially in an era where federal funding mechanisms that have been in place to protect our precious resources are being rapidly dismantled.

Our hope is that an increase to TAT or a more direct mechanism of an environmental stewardship fund will not only make a dent, but significantly fill the funding gaps that we have to protect the environment that sustains the people of Hawai'i and entices visitors to the islands. Without a direct line of funding for these efforts, the future of these islands' health and well-being will be in jeopardy. Models of similar funds have been effective across the globe and have great opportunity to create local jobs in protecting our islands for the future. Hawai'i is an ecological wonder and has a responsibility to have one of its biggest workforces be in conservation. In doing so, we will become a leader and model for the world.

Models of similar funds have been effective across the globe and have great opportunity to create local jobs in protecting our islands for the future. Hawai'i is an ecological wonder and has a responsibility to have one of its biggest workforces be in conservation. In doing so, we will become a leader and model for the world.

We will continue to do our part with hands-in-the-sand and hands-in-the-soil work while engaging residents and visitors in opportunities to learn while restoring. Ideally everyone goes home from one of our events feeling empowered to take both individual and community action to protect our future. Mahalo for taking time to consider this important bill.

With Aloha,

A handwritten signature in black ink, appearing to read 'Rafael Bergstrom', with a stylized flourish at the end.

Rafael Bergstrom
Executive Director
Sustainable Coastlines Hawai'i

Testimony in Support of HB504 HD2 SD1 Senate Committee on Ways and Means

Aloha Chairs, Vice Chairs, and Members of the Committee,

My name is Jack Kittinger, and I am submitting written personal testimony in strong support of HB504 HD2 SD1 which would help dedicate funding toward Hawai'i's natural and cultural resources that sustain the safety of our people, place, and economy. I have worked for years to establish and support the Care for 'Āina Now (CAN) initiative focused on increasing funding to support our environment and natural resources, which are our best defense against climate-driven tragedies like the Lāhainā wildfire.

The people of Hawai'i are currently grappling with the consequences of underinvesting in our natural resources and the protection they give our communities and economy. The science is clear: we are experiencing increased fires, floods, droughts and other climate-driven threats that harm the places we love, which also sustain our visitor industry. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai'i. It is logical to ask visitors to help contribute to caring for the environment they enjoy during their stay, and HB504 HD2 SD1 offers an existing program to do so.

The protection, management, restoration, and stewardship of Hawai'i's natural resources is an essential piece toward gaining resilience as an island to climate disasters. Healthier watersheds are less likely to flood, restored coral reefs protect our shorelines from storms, and removal of invasive plants protect us from wildfires. Enacting this legislation will help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

When it comes to this important work, nonprofit organizations and community groups are on the frontlines, and are leading the way in stewardship. It's important that any funding generated from visitors is distributed to solutions that are community based and facilitate partnerships between community and agencies. **I therefore recommend the inclusion of a community grant program as an addition to this bill, to work in partnership with the State to fulfill our stewardship needs.** For example, in my own backyard, Mālama Maunalua is doing important work to restore watersheds, reduce invasive species, and increase coral reef health – this work compliments the efforts of DLNR.

There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. *The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee.* Visitors and residents agree: giving back to the places you visit is more than acceptable, it is necessary.

This is the year elected leaders must act to keep our communities safe. We have watched the consequences of underinvestment in our 'āina, and we cannot wait another fire, flood, or bleaching season without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations.

I urge this committee to pass HB504 HD2 SD1 this session.

Mahalo nui for your courage and leadership, and for the opportunity to testify.

Jack Kittinger, PhD



*Testimony of Mufi Hannemann
President & CEO
Hawai'i Lodging & Tourism Association*

*Senate Committee on Ways and Means
HB 504 HD2 SD1: Relating to Environmental Stewardship
April 03, 2025*

Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee on Ways and Means:

On behalf of the Hawai'i Lodging & Tourism Association (HLTA), the state's oldest private-sector visitor industry organization, thank you for the opportunity to offer comments on HB504, HD2, SD1, which proposes to increase the transient accommodations tax (TAT) and establish new revenue streams for environmental stewardship and climate resilience.

Hawai'i's visitor industry has long been a strong advocate for the protection and sustainability of our natural resources. Our beaches, parks, and ecosystems are not only cherished by residents—they are also the foundation of our state's largest economic driver: tourism. We understand the growing challenges presented by climate change and the importance of long-term investments that enhance environmental resilience.

We appreciate the inclusion of Part II, which establishes a Transient Accommodations Tax Enforcement Working Group. Including a seat for a representative of the hotel and lodging industry is a collaborative and much-needed step to ensure compliance across all operators—especially with short-term rentals and other transient accommodations that have historically evaded enforcement. HLTA has consistently advocated for tax parity and stronger oversight in this area.

However, we must urge extreme caution regarding the proposed increase to the TAT rate. Hawai'i already has one of the highest TAT rates in the country. Raising this rate further could undermine our competitiveness as a global destination, potentially discouraging travel to our islands, reducing visitor spending, and affecting employment and economic growth within the tourism sector.

In addition, we are concerned that the bill, as currently drafted, lacks clear safeguards to ensure the new revenues are used efficiently and for their intended purpose. We strongly support the approach taken in **SB1396, SD3**, where funding collected from the TAT would be **requested in the executive budget or supplemental budget for specific climate resilience, tourism marketing, and destination management projects**. This language created a transparent pathway to ensure that funds would be properly allocated and aligned with statewide sustainability and tourism goals.

In past testimony on similar measures, HLTA has also proposed alternative strategies that complement these goals, including:

- Stronger enforcement against illegal short-term rentals to boost compliance and fairness;
- Targeted visitor impact fees at high-use natural and cultural sites, modeled after successful initiatives like Hanauma Bay;
- Public-private partnerships to protect and maintain Hawai'i's natural resources without disproportionately burdening any one sector.

We sincerely thank the Legislature for its ongoing commitment to environmental stewardship and sustainable tourism. HLTA and our members share these values and stand ready to be part of the solution. With thoughtful and balanced policymaking, we believe we can protect our environment while also supporting a vibrant, responsible, and resilient visitor industry.

Mahalo for the opportunity to offer these comments.

HB-504-SD-1

Submitted on: 4/2/2025 8:12:18 PM

Testimony for WAM on 4/3/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
J Ashman	Individual	Support	Written Testimony Only

Comments:

I **strongly support** PART III, Sections 5 and 6, on pages 9 and 10 of this measure.

The legislature has acknowledged over and over again that State pasture leases maintained by ranchers contribute to food security, economic resilience, soil health, and ecosystem support.

These valuable stewards of the land work very hard under increasingly difficult physical and mental conditions, including the continuous influx of devastating invasive species, diseases, trespassers, thieves, poachers, high costs, and mainland competition. Talk to them and you will realize that their work is truly a labor of love.

Please support this measure that will finally allow these ranchers the stability of reasonable and long term leases that they deserve. Let's finally show them that we mean it when we say that we support Hawaii's farmers and ranchers. Agricultural land stewardship needs to be under the management of the department of agriculture.

Thank you.

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



State of Hawai'i
DEPARTMENT OF AGRICULTURE
KA 'OIHANA MAHI'AI
1428 South King Street
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SHARON HURD
Chairperson, Board of Agriculture

DEAN M. MATSUKAWA
Deputy to the Chairperson

**TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

**THURSDAY, APRIL 3, 2025
10:01 AM
CONFERENCE ROOM 211**

**HOUSE BILL NO. 504 HD2 SD1
RELATING TO ENVIRONMENTAL STEWARDSHIP**

Chair Dela Cruz, Vice Chair Moriwaki and Members of the Committee:

Thank you for the opportunity to provide testimony on House Bill 504 HD2 SD1 that amends the transient accommodations tax rate beginning on 1/1/2027 and beginning 1/1/2027, requires collection of a monthly tax of \$20 per passenger per port entry or any commercial passenger vessel at any port facility under the jurisdiction of the department of taxation, establishes a Transient Accommodation Tax Enforcement Working Group, requires the transfer of all agricultural leases under the jurisdiction of the Department of Land and Natural Resources to the Department of Agriculture, appropriates funds to the Department of Land and Natural Resources for certain environmental stewardship projects and requires reports to the Legislature.

The Department supports the measure and offers comments.

The Department comments include proposing the TAT revenues be deposited into a special fund to be distributed to multiple departments that provide services to the visitor industry to ensure a memorable experience that maintains and enhances the statewide sustainability of resources. We will continue to collaborate with the Department of Land and Natural Resources on the transfer of agricultural leases to the Department.

Thank you for the opportunity to present our testimony.

