



OFFICE OF PLANNING STATE OF HAWAII

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DAVID Y. IGE
GOVERNOR

MARY ALICE EVANS
DIRECTOR
OFFICE OF PLANNING

Statement of
MARY ALICE EVANS
Director, Office of Planning
before the
SENATE COMMITTEE ON WAYS AND MEANS
Wednesday, February 24, 2021
10:00 AM
in consideration of
SB 666, SD 1
RELATING TO ENVIRONMENTAL PROTECTION.

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Committee, the Office of Planning (OP) offers the following comments on SB 666, SD 1.

SB 666 establishes a conservation workforce special fund to “provide sustainable and comprehensive funding for green job growth;” however, the Federal Bureau of Labor Statistics defines “green jobs” and green workforce development broader than conservation workforce development.¹ Green workforce development requires a multi-agency approach throughout the State of Hawai‘i, inclusive of work toward: sustainable agriculture, sustainable land use and community development, clean energy, and sustainable transportation. Many efforts on the state’s behalf can be considered “green jobs” and a part of the “green workforce.” The potential funds collected by the proposed green fee to promote green workforce development may likely be needed by more than one state agency to achieve our state’s many sustainability goals.

The Office of Planning recommends the special fund’s scope be widened to include green job growth for: local food production, waste reduction, smart sustainable community development, education, and clean energy; to match all six Aloha+ Challenge sustainability goals.

The Office of Planning recommends the advisory committee proposed in SB 666, SD 1 be expanded to include the Department of Agriculture. The Office of Planning has concerns over the implementation of the green fee and recommends the Legislature codify rules and guidance in this bill on the management, implementation, and reporting requirements of the green fee.

Like SB 666, there are many policy proposals before the State Legislature this Legislative Session proposing various forms of green or climate financing, including: carbon offsets, carbon taxes, climate change mitigation fees, surcharges on fossil fueled vehicles, and proposed increased barrel taxes.

While these policy proposals are needed to protect Hawai‘i’s vulnerable ecosystems, scarce land, and natural resources for a sustainable and climate resilient future; the Office of Planning recommends a more collaborative, inclusive, and holistic planning of Hawai‘i’s green financing to include all public, private, and non-governmental stakeholders.

The Office of Planning recommends that such funds should be collected by a centralized entity to ensure the equitable distribution to all state agencies to mutually achieve these types of green and climate financing, green workforce, green infrastructure, sustainable, and climate resilient initiatives.

¹ U.S. Department of Labor, Bureau of Labor Statistics, “[Measuring Green Jobs.](#)”

DAVID Y. IGE
GOVERNOR OF
HAWAII



SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
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

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

Testimony of
SUZANNE D. CASE
Chairperson

Before the Senate Committee on
WAYS AND MEANS

Wednesday, February 24, 2021
10:00 AM

State Capitol, Via Videoconference, Conference Room 211

In consideration of
SENATE BILL 666, SENATE DRAFT 1
RELATING TO GREEN FEES

Senate Bill 666, Senate Draft 1 proposes to establish a green fee surcharge on transient accommodations for the purposes of funding workforce and services that promote certain environmental goals. **The Department of Land and Natural Resources (Department) supports this measure and offers the following comments.**

Hawaii's natural and cultural resources are huge economic assets - prime attractions of our tourism industry - and support the well-being of our communities. A University of Hawai'i study examined the various services provided by Oahu's Ko'olau forests - including drinking water recharge, flood prevention, water quality, carbon storage, biodiversity, and cultural, aesthetic, recreational, and commercial values. These services were calculated to have a net present value of between \$7.4 and \$14 billion.¹ Coral reefs annually protect \$836 million in averted damages to property and economic activity in Hawai'i.² Despite the value of our forests and oceans, Hawai'i invests less than 1% of the total state budget into maintaining these assets.

The establishment of green fees in several other tourism focused economies, has allowed places like the Republic of Palau, Galapagos Islands, New Zealand, and the Maldives, among others, to more substantially invest in their natural resources - reducing the overall impact of tourism on their

¹ Roumasset, J., J.B. Kaiser, N. Krause, D. Mecham and J. Wooley. 1997. Draft Environmental Valuation and the Hawaiian Economy. University of Hawai'i Economic Research Organization, UH-Mānoa.

² Storlazzi, C.D., Reguero, B.G., Cole, A.D., Lowe, E., Shope, J.B., Gibbs, A.E., Nickel, B.A., McCall, R.T., van Dongeren, A.R., Beck, M.W., 2019, Rigorously valuing the role of U.S. coral reefs in coastal hazard risk reduction: U.S. Geological Survey Open-File Report 2019-1027.

environments, improving the quality of visitor experiences, and supporting community stewardship of these special places. In all cases, visitors and many residents do not mind paying a green fee because they know it goes back to caring for the beautiful places and resources they have come to enjoy. In 2001, the Department conducted a study to determine Hawaii's willingness to support increased funding for watershed protection. Respondents were presented with various means by which the increased funds could be raised (general funds, taxes, or fees). A majority supported the use of environment-related taxes (7.4 out of 10), or a visitor-related tax (8.0 out of 10).³ Palau adds a green fee to all airline passengers leaving the island state, and adds the funds to an environmental management fund, something that should be considered here.

The establishment of a green fee is an important piece to closing the gap between existing and needed funding for the management of Hawaii's natural resources. This, in conjunction with innovative financing mechanisms, such as carbon offsets for reforestation and improved forest management, would move Hawai'i considerably forward in addressing climate change and Hawaii's tourism economy. A green fee program would bolster the State's existing investments in natural resource management and help fill Hawaii's conservation funding gap.

The Department suggests eliminating *§171-B Conservation advisory committee* on pages 7-8, as it is capable of devising such a plan in-house and reporting to the Legislature on expenditures and results.

~~**§171-B Conservation advisory committee.** (a) The department and the office of planning, in consultation with the department of budget and finance and Hawaii tourism authority, shall convene an advisory committee within the department. The advisory committee shall consist of three or more odd number of members who shall comprise conservationists, tourism industry leaders, and youth advisors. The department shall have the authority to appoint members to the advisory committee and to fill any vacancies. The members shall serve on a volunteer basis.~~

~~(b) The advisory committee shall develop a funding criteria and transparency and governance framework to ensure that management of the conservation workforce special fund established pursuant to section 171-A safeguards the fidelity of the special fund towards natural resource management and conservation job growth.~~

Thank you for the opportunity to comment on this measure.

³ Department of Land and Natural Resources. November 2011. The Rain Follows the Forest: A Plan to Replenish Hawaii's Source of Water.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 666, S.D. 1

February 24, 2021
10:00 a.m.
Room 211 and Videoconference

RELATING TO ENVIRONMENTAL PROTECTION

The Department of Budget and Finance (B&F) offers comments on Senate Bill (S.B.) No. 666, S.D. 1.

S.B. No. 666, S.D. 1: establishes a ten-year pilot green fee surcharge to promote environmental goals; creates the Conservation Workforce Special Fund for natural resource management and conservation workforce programs that would generate revenues through a \$20 green fee surcharge for each guest of a transient accommodation, provided that the total visitor population during the preceding calendar year totals at least 5,000,000 visitors, legislative appropriations, grants, and gifts; and establishes an advisory committee to develop a funding criteria and governance framework for the special fund. S.B. No. 666, S.D. 1, does not appropriate any funds.

As a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general

fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding S.B. No. 666, S.D. 1, it is difficult to determine whether the proposed special fund would be self-sustaining or demonstrates a clear nexus between the benefits sought and charges made upon users.

Thank you for your consideration of our comments.

DAVID Y. IGE
GOVERNOR

JOSH GREEN M.D.
LT. GOVERNOR



ISAAC W. CHOY
DIRECTOR OF TAXATION

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

To: The Honorable Donovan M. Dela Cruz, Chair;
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair;
and Members of the Senate Committee on Ways and Means

From: Isaac W. Choy, Director
Department of Taxation

Date: February 24, 2021
Time: 10:00 A.M.
Place: Via Video Conference, State Capitol

Re: S.B. 666, H.D. 1, Relating to Environmental Protection

The Department of Taxation (Department) offers the following comments regarding S.B. 666, H.D. 1, for your consideration.

S.B. 666, H.D.1, creates a green fee surcharge of \$20 per guest of a transient accommodation. The fee only applies in years following years in which the total visitor population equals or exceeds five million. The measure is effective on July 1, 2021 and is repealed on June 30, 2031.

First, the Department notes that before COVID-19, Hawaii enjoyed more than 20,000 visitor arrivals per day. Assuming that 20,000 visitors arrive per day and half are returning residents or others not staying at a transient accommodation, this leaves 10,000 arrivals per day as guests at transient accommodations and thus paying the \$20 surcharge. This would raise \$200,000 per day and \$73 million per year. In fiscal year 2019, the total transient accommodations tax (TAT) collected was \$600 million. Thus, this surcharge represents an approximately 12% increase to the cost of transient accommodations and thus to the cost of tourism in Hawaii.

Second, the Department notes that many details of this surcharge are unclear. For example, if a guest extends their stay at a hotel, does the guest incur an additional \$20 surcharge? If a guest extends their stay but at a different hotel, does the guest incur an additional \$20 surcharge? If a guest visits Oahu for four days, flies to Maui for two days, then flies back to Oahu for two more days, does the guest incur three surcharges?

Next, the Department notes that the threshold of five million guests may raise some notice and consumer protection issues. The applicability of the surcharge in any given year is based on the visitor totals as reported by the Hawaii Tourism Authority (HTA). It is unclear whether a transient accommodation can charge guests for the surcharge if they make their reservations before HTA publishes that number. Thus, even if the hotels and other transient accommodations can predict that the visitor threshold will be met, it appears that the customers cannot be charged until the HTA number is published.

Finally, the Department notes that the proposed surcharge is not a simple surcharge on the TAT, but is an entire new tax type because the base of the proposed surcharge is total guests rather than the total revenue from renting rooms. As such, the proposed surcharge will require the Department to create entirely new forms and processes to administer it. The Department requests that the bill be amended to apply no earlier than January 1, 2022.

Thank you for the opportunity to provide comments.



Hawai'i Convention Center
1801 Kalākāua Avenue, Honolulu, Hawai'i 96815
kelepona tel 808 973 2255
kelepa'i fax 808 973 2253
kahua pa'a web hawaii-tourism-authority.org

David Y. Ige
Governor

John De Fries
President and Chief Executive Officer

LATE

Statement of
JOHN DE FRIES

Hawai'i Tourism Authority
before the
SENATE COMMITTEE ON WAYS AND MEANS

Wednesday, February 24, 2021
10:00 AM
State Capitol, Conference Room #211
via videoconference

In consideration of
SENATE BILL NO. 666 SD1
RELATING TO ENVIRONMENTAL PROTECTION

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee on Ways and Means: the Hawai'i Tourism Authority (HTA) would like to **offer comments** on Senate Bill 666 SD1, which establishes a green fee surcharge of \$20 on transient accommodations for the purposes of funding workforce and services that promote certain environmental goals based on the total number of visitors to the state.

HTA agrees in principle with the intent of this bill because we do feel that visitors can and should contribute to helping preserve our natural resources. However, we have concerns about the mechanism for collecting this new fee. Also, as an advocate for Hawai'i's visitor industry, HTA does not support tax or fee increases that could adversely affect the relaunch of tourism.

We appreciate this opportunity to provide testimony on SB666, SD1.



Email: communications@ulupono.com

SENATE COMMITTEE ON WAYS & MEANS
Wednesday, February 24, 2021 — 10:00 a.m.

Ulupono Initiative supports the intent of SB 666 SD 1, Relating to Environmental Protection

Dear Chair Dela Cruz and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food; renewable energy and clean transportation; and better management of freshwater and waste.

Ulupono supports the intent of SB 666 SD 1, which establishes a green fee surcharge of \$20 on transient accommodations for the purposes of funding workforce and services that promote certain environmental goals based on the total number of visitors to the State.

Ulupono supports the State's efforts to better manage its natural resources through dedicated funding. The Aloha + Challenge guides the State to implement sustainable change by setting goals across six priority areas – clean energy transportation, local agriculture, natural resource management, solid waste reduction, green workforce and education, and smart sustainable communities. While this measure identifies a green fee placed on visitors to support natural resource management, we believe it may be in the State's interest to expand that policy with the related efforts around clean energy transportation and local agriculture – both part of the Aloha + Challenge commitment that support Hawai'i's sustainable future and healthy environment for visitors and residents alike.

In addition to what this bill highlights, we ask this committee to consider utilizing the proposed green fee revenues to support the following additional options:

1. Allocate a certain percentage of funds from the fee toward clean ground transportation and the transition to zero-emission vehicles statewide.
 - a. Fund the Electric Vehicle Charging System (EVCS) Rebate Program established pursuant to sections 269-72, HRS, and 269-73, HRS.

Investing in a Sustainable Hawai'i

- b. Fund State and county EVCS infrastructure at airports, parks, trails, beaches, etc.
 - c. Fund the Energy Security Special Fund to support clean ground transportation.
2. Allocate a certain percentage of funds to local agricultural production, keeping lands in active production by encouraging new ag workforce development and maintaining responsible conservation practices by local producers.
 - a. Fund the Department of Agriculture's Agricultural Loan Program established in section 155, HRS.
 - b. Fund State irrigation systems repairs and maintenance.
 - c. Fund Department of Agriculture facilities that support agriculture operations such as the Honalo Marshalling Yard and the Kamuela Vacuum Cooling Plant.
 - d. Fund future agricultural park infrastructure such as the Department of Agriculture's Kunia Agricultural Park.

Should the committee seek to maintain this measure in its current form, we ask that the special fund include expenditures to expand clean transportation and local agriculture within the State. We also ask that the advisory committee include additional members from the State Energy Office and the Hawai'i Department of Agriculture.

A green fee should support the State's efforts to maintain natural resources, including support for clean transportation and local agriculture. Expanding local access to clean, alternative fuel transportation is extremely important to our environment as ground transportation makes up a significant portion of Hawai'i's reliance on imported oil and is the largest contributor to our State's greenhouse gas emissions, affecting our carbon footprint and contributing to the devastating effects of climate change. Supporting local agriculture keeps lands fertile, productive, and well-managed through conservation practices, increasing the State's sustainability with responsible stewards of the land.

Thank you for this opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TRANSIENT ACCOMMODATIONS, Green Fee Surcharge

BILL NUMBER: SB 666, SD1

INTRODUCED BY: Senate Committee on Energy, Economic Development, and Tourism

EXECUTIVE SUMMARY: Establishes a green fee surcharge on transient accommodations for the purposes of funding workforce and services that promote certain environmental goals. Repeals on June 30, 2031.

SYNOPSIS: Adds two new sections to chapter 171, HRS, establishing a conservation workforce special fund and the conservation advisory committee.

Adds a new section to chapter 237D, HRS, imposing a green fee surcharge of \$20 for each guest of a transient accommodation beginning on July 1, 2021 in any year for which there were five million or more visitor arrivals in the preceding year based on statistics provided by the Hawaii Tourism Authority. A transient accommodations broker, travel agency, and tour packager who arranges transient accommodations at noncommissioned negotiated contract rates and every operator shall not pay the surcharge on the same guest more than once in any 365 day period and, in such cases, shall not charge the guest for the amount of the surcharge. All surcharge monies will be diverted to the conservation workforce special fund.

EFFECTIVE DATE: July 1, 2021; provided that this Act shall be repealed on June 30, 2031.

STAFF COMMENTS: A tax increase of any magnitude in Hawaii's fragile economy will, no doubt, have a negative impact as costs soar due to higher taxes. As costs and overhead increase, employers must find ways to stay in business by either increasing prices to their customers or cut back on costs. This may take the form of reducing inventory, shortening business hours, reducing employee hours, or even laying off workers. A tax increase of any magnitude would send many companies, especially smaller ones, out of business taking with them the jobs the community so desperately needs at this time.

A tax increase on the hospitality industry, furthermore, would be kicking that industry when it is already down. According to the Department of Taxation's Preliminary Comparative Statement of General Fund Tax Revenues for January 2021, TAT collections for the fiscal year to date (7/1/2020 – 1/31/2021) are \$56.4 million, compared to \$391.3 million for the same period in the prior fiscal year. That's a drop of more than 85%.

Digested 2/22/2021



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 211
WEDNESDAY, FEBRUARY 24, 2021 AT 10:00 A.M.**

To The Honorable Donovan M. Dela Cruz, Chair;
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair; and
Members of the Committee on Ways and Means;

OPPOSE SB666 SD1 RELATING TO ENVIRONMENTAL PROTECTION

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce, in the county most impacted by the COVID-19 pandemic in terms of our dependence on the visitor industry and corresponding rate of unemployment. I am writing share our opposition to SB666 SD1.

The Maui Chamber of Commerce recognizes the importance of preserving our state's environment, but we have concerns on the impacts of this bill. Increases to visitor expenses can make Hawaii less attractive when competing against other destinations and this is particularly difficult at a time when we need economic recovery on an island very dependent on the visitor industry. This bill could hurt and slow our recovery efforts.

We appreciate the opportunity to testify on this matter and we ask that this bill be deferred.

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.

SB-666-SD-1

Submitted on: 2/22/2021 5:59:24 PM

Testimony for WAM on 2/24/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Nicole Chatterson	Individual	Support	No

Comments:

Aloha Chair Dela Cruz and WAM committee members,

Mahalo for taking the time to hear this bill. As the Executive Director of Zero Waste O'ahu (and a long time resident of MÄ• noa), I am happy to testify in strong support of this measure, which would enable visitors to monetarily support the conservation of our islands.

While the measure will be valuable as is, I would also like to offer the following comment:

- Conservation is about the *prevention* of the negative impact on ecosystems as much as it is also about the restoration and management of these systems. To that end, I encourage a broder interpretation of what activites can be considered for funding under this measure. We need more measures that *prevent* further damage. Yes, the Aloha+ Challenge "natural resource management targets" and the IUCN's "30X 30" are fantastic. So are efforts to reduce the impact of waste from tourism...which has a direct impact on what resources need to managed and how. Interested in healthy freshwater resources (an Aloha + Challenge goal)? Then we need to figure our how to bury less waste and toxic incinerator ash in our soils. Interested in healthy marine waters? Then we need less plastic going into our oceans.

It would not hurt this measure to consider expanding the applications of funds to all of the Aloha + Challenge goals. In fact, it would improve the benefit to our islands.

With appreication and aloha,

Nicole Chatterson

Executive Director, Zero Wate O'ahu.



Sign-on Letter in Support of SB666 & HB433

February 23, 2021

Aloha,

The signatory organizations shown above and listed below are writing in support of the Visitor Green Fee as proposed in the following bills: SB666 & HB433.

With the visitor industry being a substantial and critical portion of our State economy, a Visitor Green Fee would be of great benefit both in providing needed revenue to our State as well as in maintaining and preserving our natural resources, such as our beaches, parks, and trails, all of which remain the top drivers of the visitor industry. The millions of visitors in past years and years to come lead to significant degradation of our natural resources and stress on our environment as a whole.

The need and benefit of the proposed Visitor Green Fee is highlighted by Hawai'i's unique vulnerability to climate change, as well as Hawai'i's position as the extinction capital of the nation and endangered species capital of the world.

Hawai'i's total conservation funding gap has been estimated as high as \$360 million annually, constituting a major unfunded liability that poses a significant risk to our communities, our business climate, and our overall economic resiliency.

Should the forecast of five million visitors to Hawai'i come to fruition, **a \$40 per visitor green fee could generate nearly \$200 million in conservation workforce revenue,** which would fund an estimated 2,400 public and private jobs.

The Natural Resource Management sector has the need and the capacity to employ thousands of people in conservation work, which would provide both economic returns on investment, as well as non-market returns, such as restoring reefs, beaches, trails, and forest watersheds that our communities and visitor industry rely on.

There are 15 Organizations Signing On In Support, including:

1. Conservation International
2. Kanu Hawai'i
3. Kupu



4. Surfrider Foundation Hawai'i
5. Hawai'i Alliance for Community-Based Economic Development (HACBED)
6. Sustainable Coastlines Hawai'i
7. Hawai'i Reef and Ocean Coalition
8. Trust for Public Land
9. Hawai'i Alliance for Progressive Action (HAPA)
10. Hawai'i Youth Climate Coalition
11. Zero Waste O'ahu
12. Wastewater Alternatives & Innovations (WAI)
13. National Tropical Botanical Garden
14. Young Progressives Demanding Action
15. Climate Protectors Coalition

Mahalo for your consideration, and please reach out to our project leads with any questions.

Jack Kittinger, Conservation International, jkittinger@conservation.org

Emelia von Saltza, contractor for Conservation International, emeliavonsaltza@gmail.com



February 23, 2021

Senator Donovan Dela Cruz, Chair
Senate Ways and Means Committee
Hawaii State Legislature

Opposition to SB666 SD1

Dear Senator Wakai and Members of the Senate Committee on Energy, Economic Development and Tourism,

Thank you for the opportunity to provide testimony on SB666 SD1.

We truly appreciate the unique natural environment of Hawaii, and agree that our natural resources should be better protected, managed and maintained, as that they are one of the largest draws for visitation to our state.

However, we are staunchly opposed to creating a separate greens fee for visitors. Visitors to the state already pay substantial transient accommodations taxes (TAT), and the legislature can use those resources for any purpose they determine, including allocating a larger investment to the Department of Land and Natural Resources (DLNR) for protection, management and maintenance of our natural resources.

The vast majority of TAT collected by the state during the last 10 years has gone into the state's general fund. In 2009, the percentage of TAT remaining in the general fund after all other allocations was 3.7% of overall collections, or \$7,793,000. In 2019, the percentage of TAT remaining in the general fund was 59.1% or **\$376,975,000!** Therefore, the Hawaii State Legislature can already cover any additional investments in our natural resources with taxes it already collects from visitors; there is no need to create a separate tax.

KCRA is a collection of master-planned resorts and hotels, situated north of the Kona International Airport which represents more than 3,500 hotel and timeshare accommodations and an equal number of resort residential units. This is approximately 35 percent of the visitor accommodations available on the Island of Hawai'i. KCRA member properties annually pay more than \$25 million in TAT, \$25 million in GET and \$11 million in property taxes. KCRA members employ more than 5,000 Hawaii Island residents.

Mahalo for the opportunity to oppose this proposed legislation.

Sincerely,

A handwritten signature in black ink that reads "Stephanie P. Donoho". The signature is written in a cursive, flowing style.

Stephanie Donoho
Administrative Director

SB-666-SD-1

Submitted on: 2/23/2021 8:52:03 AM

Testimony for WAM on 2/24/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dyson Chee	Testifying for Hawai'i Youth Climate Coalition	Support	No

Comments:

Aloha Chair Dela Cruz, Vice-chair Keith-Agaran, and members of the WAM Committee,

My name is Dyson Chee, I am 18 years old, and I am submitting written testimony on behalf of the Hawai'i Youth Climate Coalition (HYCC) in support of SB666 SD1, with suggested amendments.

We encourage the following amendments to be considered:

- Remove the requirement that visitor arrivals in the previous year reach 5M before the fee may go into effect.
 - There is not evidence that a \$40 per visitor green fee will hurt the industry, nor that a 5M floor will remedy the hypothetical impact on visitor demand.
 - Moreover, this floor would further delay the much needed support for green jobs to rebuild and diversify our economy now.
- Re-establish the \$40 per visitor fee or a tax design that is at scale to the estimated \$360M annual conservation budget deficit.
 - A \$40 per person fee could generate an estimated \$140M in 2022 and \$229M in 2027 based on visitor arrival forecasts (DOTAX, 2021).

The Green Passport offers innovative financing solutions for conservation efforts in the State of Hawai'i. Our ecosystems are inseparable from the Native Hawaiian culture and our environment is integral to our visitor experience. A public-private partnership model would be a preferred management structure to ensure that funds captured from a Visitor Green Fee are used to advance solutions to protect our environment while enhancing the visitor experience.

Hawai'i's total conservation funding gap has been estimated as high as \$360 million annually, constituting a major unfunded liability that poses a significant risk to our communities, our business climate, and our overall economic resiliency.

Natural Resource Management sectors could employ thousands in conservation work, which would provide both economic returns on investment, as well as non-market returns, such as restoring reefs, beaches, trails, and forest watersheds that our communities and visitor industry rely on.

International green fees vary from \$1/night to a \$100 set entrance fee. The fees require mandatory payments by visitors for the explicit purpose of supporting conservation and natural resource management. Should the forecast of five million visitors to Hawai'i come to fruition, a \$40 per visitor green fee could generate approximately \$200 million in conservation workforce revenue, which would fund an estimated 2,400 public and private jobs.

Now more than ever, Hawai'i faces challenges beyond the environment, such as housing, healthcare, and affordability. As the State addresses many urgent issues, we urge legislators to continue to prioritize the environment as it underpins every aspect of life and wellbeing on our islands. We hope that this committee will pass SB666 SD1 with the amendments suggested above, and mahalo for considering our testimony.

Sincerely,

Dyson Chee



NATIONAL TROPICAL BOTANICAL GARDEN

Saving Plants • Saving People

NATIONAL HEADQUARTERS 3530 Papalina Road, Kalāheo, Hawai'i 96741 USA
(808) 332-7324 · Fax (808) 332-9765 · www.ntbg.org

TO: The Honorable Donovan M. Dela Cruz, Chair,
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair, and
Members of the Senate Committee on Ways and Means

DATE: Wednesday, February 24, 2021
TIME: 10:00 a.m.
Place: Conference Room 211, and via Videoconference

From: Chipper Wichman, President
National Tropical Botanical Garden

Re: **Testimony in Support of SB 666 SD1 RELATING TO ENVIRONMENTAL PROTECTION**

I am writing today as the President of the National Tropical Botanical Garden (NTBG), an organization that has been doing community-based conservation work in Hawaii for over 50 years. **NTBG is in STRONG support of SB 666 in its original language.**

As someone who has personally worked in conservation for over four decades I am painfully aware of the huge gap that exists between the funding that is available to take care of our unique natural and cultural resources and the scale of work that needs to be done. The concept of a “green fee” or “green tax” is one that has been talked about for years and, based on the many hundreds of visitors that I have talked to, would be well received.

SD1 lowers the proposed fee to \$20 which is too low in my opinion – less than two drinks at a hotel bar. I strongly encourage you to increase this amount back up to the \$40 envisioned in the first draft of this bill. At \$40, it would generate significant revenue that could begin to have a huge impact in protecting the fragile environment here in the State – which is fundamentally what attracts the millions of visitors that come to Hawaii each year.

I want to congratulate our collective State Legislators as you have strong supporters in establishing and supporting the Aloha+ Challenge which has garnered Hawaii a leadership role internationally. Key to the Aloha+ Challenge is the Natural Resource Management Target which needs a sustainable funding mechanism to achieve. Survey after survey has shown that visitors to Hawaii and other locations in the world are happy to pay a small fee if they know that it will indeed be used to protect the environment in those locations.

Please support SB666 and help make Hawaii a leader in caring for our ‘āina and creating a pathway for our visitors to be part of the solution not just part of the problem.

Me ke aloha a me ka mahalo nui,

Chipper Wichman, President,
National Tropical Botanical Garden



SB 666, SD 1, RELATING TO ENVIRONMENTAL PROTECTION

FEBRUARY 24, 2021 · SENATE WAYS AND MEANS
COMMITTEE · CHAIR SEN. DONOVAN DELA CRUZ

POSITION: Support.

RATIONALE: Imua Alliance supports SB 666, SD 1, relating to environmental protection, which establishes a green fee surcharge of \$20 on transient accommodations for the purposes of funding workforce and services that promote certain environmental goals based on the total number of visitors to the State.

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, like seawalls.

Furthermore, according to research conducted by Michael B. Gerrard from Columbia Law School, modern-day slavery tends to increase after natural disasters or conflicts where large numbers of people are displaced from their homes. In the decades to come, says Gerrard, **climate change will very likely lead to a significant increase in the number of people who are displaced**

and, thus vulnerable, to human trafficking. While the Paris Climate Agreement of 2015 established objectives to limit global temperature increases and several international agreements are aimed at combating modern-day slavery, it is highly uncertain whether they will be adequate to cope with the scale of the problem that is likely to occur as a result of climate change.

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.

Therefore, we should take steps to accelerate Hawai'i's efforts to address climate change and develop a clean economy, including by implementing “green fees” that ensure our state's visitors pay their fair share to sustain our 'āina. 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 a report from Conservation International's Green Passport initiative. We need to catch up. For the sake of our keiki, we cannot afford to wait to solidify strategies to preserve our island home for generations to come.

Kris Coffield · Executive Director, Imua Alliance · (808) 679-7454 · kris@imuaalliance.org



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-First Legislature, State of Hawaii
The Senate
Committee on Ways and Means

Testimony by
Hawaii Government Employees Association

February 24, 2021

S.B. 666, S.D. 1 – RELATING TO ENVIRONMENTAL PROTECTION

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of S.B. 666, S.D. 1 which establishes a green fee surcharge on transient accommodations to fund services that promote environmental goals, **with a proposed amendment that the fee only impact non-resident visitors.**

Many of our local leaders across industries agree: the COVID-19 worldwide pandemic can and should be utilized as an opportunity to build back tourism in a thoughtful and sustainable way. With a record-setting 10 million visitors in 2019 but stagnant visitor spending, we are led to believe that many tourists are maximizing their stay by enjoying Hawai'i's natural – and free – attractions. Implementing a green fee for tourists will appropriately shift the funding burden from residents to visitors and will provide necessary funding to preserve our reefs, beaches, and forests.

Since it will take time and resources to establish a Conservation Workforce Special Fund and public-private advisory committee, we support the concept in H.B. 433, which similarly establishes a green fee on car rentals, that immediately deposits all funding into the General Fund until 2023. Further, we respectfully request the Committee's consideration in amending the measure to exempt local Hawai'i residents from the \$20 per person fee, as many local families enjoy staycations in transient accommodations both on their home island or on a weekend trip to a neighbor island and should not be financially deterred from continuing to do so.

Thank you for the opportunity to testify in strong support of S.B. 666, S.D. 1, with a proposed amendment to ensure local residents are not required to pay the green fee.

Respectfully submitted,

Randy Perreira
Executive Director

February 23, 2021

Senator Donovan Dela Cruz, Chair
Senate Ways and Means Committee
Hawaii State Legislature
RE: Opposition to SB666 SD1

Aloha Senator Dela Cruz and Members of the Ways and Means Committee,

On behalf of [Fairmont Orchid](#), a resort located in Hawaii Island, we appreciate this opportunity to provide testimony in regards to SB666 SD1.

We share your desire to protect, preserve and maintain the natural resources of the Hawaiian Islands. In fact, it's our company-wide commitment to integrate eco-friendly offerings throughout our property, invite our guests to be *pono* while exploring Hawai'i Island and make every effort to educate our guests on the need to *malama* Hawai'i.

As we've taken steps to become increasingly environmentally friendly, we're excited to see that our guests have followed suit. We've hosted coastal clean-ups on property and invited our guests to participate. We've developed a partnership with the Waikoloa Dry Forest Reserve to support their reforestation efforts. And our team has collaborated with the University of Hawai'i at Hilo's beekeeping program to promote local solutions to sustain the honey bee industry (and we're proud to host our own honeybees onsite). Safeguarding the protection of our natural resources and wildlife is of paramount importance to us, as we welcome visitors to enjoy the natural wonders of Hawai'i Island.

However, we must oppose creating a green fee surcharge for visitors. We appreciate you understanding that visitors already pay substantial transient accommodations taxes (TAT) and the legislature is free to use those resources however they see fit—this includes allocating a larger portion of those funds to the Department of Land and Natural Resources (DNLR) for the protection, management and maintenance of our natural resources. As the vast majority of TAT funds collected by the state during this past decade has gone directly to the state's general fund, we humbly suggest that a significant portion of these funds is instead allocated for the protection of natural resources.

Mahalo for the opportunity to oppose this proposed legislation.

Sincerely,



Charles Head
General Manager, Fairmont Orchid, Hawai'i

SB-666-SD-1

Submitted on: 2/23/2021 11:21:36 AM

Testimony for WAM on 2/24/2021 10:00:00 AM



Submitted By	Organization	Testifier Position	Present at Hearing
Kawika Riley	Testifying for Kupu	Support	No

Comments:

Kupu testifies in strong support of SB 666 SD1, which would help Hawai'i manage our precious natural resources and respond to the climate and environmental changes that are already affecting our islands.

Please pass SB 666.

SB-666-SD-1

Submitted on: 2/23/2021 12:04:35 PM

Testimony for WAM on 2/24/2021 10:00:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Climate Protectors Hawaii (by Ted Bohlen)	Testifying for Climate Protectors Hawaii	Support	No

Comments:

To: The Honorable Donovan Dela Cruz, Chair, The Honorable Gilbert Keith-Agaran, Vice Chair, and members of the Senate Committee on Ways and Means

From: Climate Protectors Hawaii (by Ted Bohlen)

Re: SB666 SD1 RELATING TO ENVIRONMENTAL PROTECTION

Decision making hearing Wednesday February 24, 2020, 10:00 am, CR 211 and videoconference

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Senate Committee on Ways and Means:

Position: The Climate Protectors Hawaii STRONGLY SUPPORTS SB666 SD1, WITH AMENDMENT TO SUPPORT FUNDING FOR CLIMATE CHANGE MITIGATION!

Hawaii's beauty and natural resources, our reefs, oceans, beaches, forests, and other ecosystems are our State's "Golden Egg" that visitors come to see. Unfortunately, **we are allowing our golden egg to be killed with love!** We have previously encouraged ten million tourists per year to come and enjoy those natural resources, while investing only \$9 per tourist and less than one percent of our State budget in preserving our golden egg. The total conservation funding gap has been estimated as high as \$360,000,000 annually. COVID-19 provides us with an opportunity to build back our tourist industry more sustainably, with better funding support for conserving, restoring, and expanding resources such as coral reefs, forests, watersheds, dunes, parks and trails, while adding **more "green jobs" for Hawaii residents.**

SB666 SD1 provides one such funding mechanism, a \$20 surcharge for each guest at a transient accommodation, with the revenues devoted to promoting conservation, restoration, and expansion of natural resources. Using transient accommodation revenue in this way is appropriate and reasonable, given the stress placed on resources by those staying at transient accommodations.

Moreover, it is important to realize that tourism causes environmental degradation indirectly as well as directly to coral reefs, forests, beaches, trails and parks. The consequences of tourism on our coral reefs, forests, beaches, trails, and parks is inconsequential in comparison to the consequences on our natural and other resources of global warming, a significant part of which is generated by air travel. Climate change due to fossil fuel use, including particularly air travel, will batter our coral reefs and shorelines with rising sea levels and more intense storms. The 'average' visitor to Hawaii takes a round trip 7,000 mile (by HTA statistics) and is responsible for 1.8 tons CO₂ (equivalent) emissions in traveling here. Also, the release of water vapor at flying altitudes causes additional atmospheric warming. Accordingly, the revenue generated by this bill should not be destined just for beaches, parks and trails, but also to programs to sequester carbon, such as regenerative agriculture and planting trees, and support local food production and sustainable aviation.

The Climate Protectors therefore propose an amendment to the bill in SECTION 2 (b) so that it would read as follows:

(b) Funds in the special may be expended by the department for workforce programs and services with the explicit aim of meeting the goals of the Aloha+ Challenge natural resource management targets and the International Union for Conservation of Nature's 30by30 goals of:

(1) Increasing freshwater capacity by one hundred million gallons per day in comparison to the January 1, 2016, baseline;

(2) Having thirty per cent of Hawaii's marine waters under active management by 2030;

(3) Implementing the biosecurity plan to address priority invasive species by 2030; and

(4) Increasing the percentage of threatened and endangered native species managed in Hawaii by 2030.

Funds may also support the maintenance or restoration of **coral reefs**, beaches, parks, and trails[.] **and programs to sequester carbon, such as regenerative agriculture and planting trees, and support local food production and sustainable aviation.**

It is time to take better care of our "golden egg," while promoting green jobs for Hawaii residents. SB666 SD1 as amended would start to do that.

Mahalo for the opportunity to testify in support of this important bill!

The Climate Protectors Hawaii (by Ted Bohlen)



HAWAI'I LODGING & TOURISM
A S S O C I A T I O N

LATE

Mufi Hannemann
President & CEO
Hawai'i Lodging & Tourism Association

Committee on Ways & Means
Senate Bill 666, Senate Draft 1: Relating to Environmental Protection

Chair Dela Cruz and members of the Committee, mahalo for the opportunity to submit testimony on behalf of the Hawai'i Lodging & Tourism Association, the state's largest private sector visitor industry organization.

The Hawai'i Lodging & Tourism Association—nearly 700 members strong, representing more than 50,000 hotel rooms and nearly 40,000 lodging workers —advocates on behalf an industry that has been disproportionately affected by the COVID-19 pandemic and its ensuing economic downturn. The local travel industry, which has long served as our state's strongest, most consistent economic sector, is just beginning to recover and bring its people back to their jobs. More than anything, HLTA feels strongly that this is not the time to levy an additional tax burden on an industry upon which so many people depend on for their livelihoods. Current statewide occupancy rates are hovering around 20%. If government restrictions were a lot more flexible and balanced, and our industry were on an upswing, we would be more amenable to a measure of this nature.

In addition to the poor timing of SB666, our organization also has several administrative concerns stemming from the ambiguity as to who would collect these taxes, what fund the monies would be stored in, and any guarantees that these funds would not find their way into the State's general fund.

Moreover, SB666 does not clearly state how this surcharge would be applied to residents who may be traveling interisland for work, or those who may be staycationing at a local resort or for that matter several lodging properties during the course of a year. Would they also be subject to these fees? Additionally, how does this proposed measure also affect transient vacation rentals?

While HLTA supports responsible tourism and the protection of our local resources, Senate Bill 666, Senate Draft 1 has major concerns that need to be addressed and clarified. For these reasons, **HLTA does not support this measure.**

Thank you for the opportunity to offer this testimony.

February 24, 2021

10:00 a.m.

Conference Room 211

To: Senate Committee on Ways and Means

Sen. Donovan M. Dela Cruz, Chair

Sen. Gilbert S.C. Keith-Agaran, Vice Chair

From: Grassroot Institute of Hawaii

Joe Kent, Executive Vice President

RE: SB666 SD1 — RELATING TO ENVIRONMENTAL PROTECTION

Comments Only

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer its comments on SB666, which would establish a surcharge of \$20 on transient accommodations for the purpose of funding workforce and services that promote certain environmental goals.

We are gravely concerned about the impact of this surcharge and the many tax increases and surcharges that have been proposed this legislative session. Hawaii residents are already among the most taxed in the country; the state has the [second highest overall tax burden](#) in the U.S.

That high tax burden contributes to Hawaii's cost of living and is one of the reasons why so many Hawaii residents have been leaving in search of greater opportunities elsewhere.

Given the state's already-high tax burden, there is never a good time to raise taxes. But this proposal comes at an especially bad time. Hawaii is still in a state of emergency, tourism has slowed to a trickle, businesses are closing and unemployment is high. The economy will take years to recover from the pandemic and lockdowns. The last thing Hawaii residents and businesses need at this point is a tax hike.

There are myriad reasons policy makers should be wary of implementing tax hikes at this time. Here are just a few:

>> Hawaii cannot sustain a hike in taxes since its already-damaged economy was hit harder by the lockdowns than any other state in the nation.¹

>> State lawmakers increased taxes and fees substantially following the Great Recession of 2007-2008,² despite a windfall in revenues from an economic boom over the past decade. Taxes and fees ballooned on motor vehicles, transient accommodations, estates, fuel, food, wealthy incomes, property, parking and businesses.

>> Hawaii's population reduction of 21,879 people since fiscal 2016³ has left Hawaii's remaining taxpayers with a greater tax burden.

>> Hawaii businesses are already bracing for an automatic tripling, on average, of the state unemployment tax.⁴ The UI tax rate depends not only on individual employer's claims experiences but also on the overall health of the state's unemployment insurance fund, which is hundreds of millions of dollars in the red.⁵

>> Hawaii already has a regressive general excise tax that disproportionately hits the poor.⁶

>> Hawaii has a progressive income tax that taxes high-income earners at 11%, second only to California at 13.3%.⁷ Hawaii's top 1% already pays 23% of all income taxes in the state.⁸

>> Closing tax exemptions would amount to a tax hike for Hawaii businesses already facing a steep spike in their unemployment insurance taxes.

¹ Dave Segal, "[Hawaii's unemployment rate hit nation-high 15% in September](#)," Honolulu Star-Advertiser, Oct. 20, 2020.

² "[Tax Acts \(by Year\)](#)," Tax Foundation of Hawaii, accessed Feb. 8, 2021.

³ "[Annual Estimates of the Resident Population for the United States, Regions, States, and the District of Columbia: April 1, 2010 to July 1, 2020 \(NST-EST2020\)](#)" U.S. Census Bureau, Population Division, December 2020.

⁴ "[State unemployment tax slated to automatically triple in 2021](#)," Grassroot Institute of Hawaii, Nov. 16, 2020.

⁵ "[UI Budget](#)," United States Department of Labor, Employment & Training Administration, Feb. 8, 2021.

⁶ "Rich States, Poor States: ALEC-Laffer State Economic Competitiveness Index: "[Sales Tax Burden](#)," American Legislative Exchange Council, 2021. Note that Hawaii does not have a sales tax, but a state general excise tax that is levied on almost all goods and services, and imposed multiple times throughout the production chain.

⁷ Katherine Loughhead, "[State Individual Income Tax Rates and Brackets for 2020](#)," Tax Foundation, Feb. 4, 2020.

⁸ "[Hawaii Individual Income Tax Statistics](#)," Hawaii Department of Taxation, December 2020, Table 13A.

>> Increasing Hawaii's lowest-in-the-nation property-tax rates⁹ would result in a much higher overall tax bill compared to other states because Hawaii residents uniquely pay for public education through the general fund as opposed to property taxes.¹⁰ Additionally, Hawaii's low property taxes are balanced out by the highest housing costs in the nation,¹¹ which results in a \$1,236 average annual property tax per capita, which is only slightly below the national average of \$1,617.¹²

Hawaii needs leadership that will stabilize the current financial crisis, reduce unsustainable long-term costs and lower the cost of living. Balancing the books without tax increases or future debt could send a message that Hawaii is a good place for businesses and future generations, and this could help the economy thrive while motivating people to return to the islands.

If the state needs more revenues, policymakers should focus on growing the economy. In our current condition, even small economic gains would have big effects.

Hawaii's residents and businesses need a break from new taxes, fees, surcharges and tax hikes. This is not the time to make Hawaii a more expensive place to live and do business.

Thank you for the opportunity to submit our comments.

Sincerely,

Joe Kent
Executive Vice President
Grassroot Institute of Hawaii

⁹ John Keirnan, "[Property Taxes by State](#)," WalletHub, Feb. 25, 2020.

¹⁰ Janis Magin, "[Hawaii lawmakers seek to add new property tax to fund teacher pay](#)," Pacific Business News, Jan. 27, 2020.

¹¹ "[Average House Price by State in 2020](#)," The Ascent, Aug. 4, 2020.

¹² Janelle Cammenga, "[How Much Does Your State Collect in Property Taxes per Capita?](#)," Tax Foundation, March 11, 2020.



LATE

Testimony Before The
Senate Committee on Ways and Means (WAM)
IN SUPPORT OF SB 666 SD 1
Wednesday, February 24, 2021, 10:00AM, Room 211

My name is Kevin Chang and I am the Co-Director of Kua'āina Ulu 'Auamo (or KUA). KUA works to empower grassroots rural and Native Hawaiian mālama 'āina groups -fishers, farmers, families- to celebrate their places and pass on their traditions to better Hawai'i and achieve 'āina momona— an abundant, productive ecological system that supports community well-being.

KUA employs a community-driven approach that currently supports a network of more than 36 mālama 'āina community groups collectively referred to as E Alu Pū (moving forward together), 40 fishpond projects and practitioners called the Hui Mālama Loko l'a, and a growing hui of Limu practitioners all from across our state.

KUA generally supports SB 666 SD 1.

A primary function of KUA includes development of an 'auwai, a stream of resources, tools, bridges, relationships, and networks that help to cultivate and take our communities' work to greater levels of collective impact. A core source of the flow in this 'auwai includes building the capacity and mindset within and between the state and communities to better care for Hawai'i's resources together.

We are excited for what this opportunity could mean for increased environmental co-management, co-governance and uplifting an ethic of mālama 'āina. A Green Fee surcharge and conservation workforce fund provides a pathway to better support the already underfunded and increasing challenge of responsibly caring for Hawai'i's biocultural ecosystems together. It has great potential to provide resources for the development of a new kind of workforce. Environmental ethic and employment pathway to care for the islands that sustain our collective well-being.

It also further places our island community like others in the Pacific as a leader for environmental leadership and adaptation.

Please pass this bill out of your committee and mahalo for this opportunity to testify.

Aloha 'Āina Momona.

LATE

SB-666-SD-1

Submitted on: 2/23/2021 4:41:54 PM
Testimony for WAM on 2/24/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lea Hong	Testifying for The Trust for Public Land	Support	No

Comments:

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Committee Members:

The Trust for Public Land supports SB666 SD 1. The Trust for Public Land was part of working group of business and NGO entities exploring the idea of a "green fee" that would help fill Hawai'i's conservation funding gap -- estimated at \$360 million annually - that poses a significant risk to our communities, our business climate, and our overall economic resiliency. Investments are needed for the purposes of protecting our marine life, forests, and freshwater ecosystems, and we hope this Committee will consider creative ways of finance much needed management and maintenance work on high priority areas such as parks, beaches, and hiking trails – places that both residents and visitors experience and enjoy.

Such a "green fee" would support jobs that diversify our economy. Resource sectors could employ thousands in conservation work, which would provide both economic returns on investment, as well as non-market returns, such as restoring reefs, beaches, trails, and forest watersheds that our communities and visitor industry rely on. Funds would support jobs in the public and private (for-profit and nonprofit) sectors.

A recent study shows that a "Green Fee" is supported by 75 percent of those polled statewide. *Source: Nature Conservancy Nov 2020 Survey.* Legislators have been global leaders in establishing the Aloha+ Natural Resource Management Target; now we must provide a clear path forward and a sustainable funding mechanism to achieve those impressive goal.

Mahalo for this opportunity to testify.

Lea Hong

Hawaiian Islands State Director

The Trust for Public Land

SB-666-SD-1

Submitted on: 2/22/2021 10:47:33 AM

Testimony for WAM on 2/24/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Milholen	Individual	Support	No

Comments:

Aloha, Chair, Vice Chair, and WAM committee members. Mahalo for supporting this important measure that would support crucial environmental programs for Hawai'i.

SB-666-SD-1

Submitted on: 2/22/2021 4:19:14 PM

Testimony for WAM on 2/24/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Will Caron	Individual	Support	No

Comments:

Aloha Committee Members,

Please support SB666. We cannot separate our environment from our economy. If our natural resources degrade and decline, so does our overall quality of life and the strength of our economy. The beauty of Hawai'i is what brings visitors to these islands. Maintaining the natural environment is all of our shared responsibility, both resident and visitor. We must ensure the protection and survival of our greatest asset so that future generations will be able to thrive here in Hawai'i.

Unfortunately, the current funding to preserve and maintain our precious coral reefs, forests, beaches, and watersheds has not kept pace with the stresses and impacts on our environment placed on it by an increasingly exploitative tourist industry. Hawai'i is running an estimated 40% deficit on its investment in nature (Conservation International, 2018). Each year that we delay adequately funding these efforts, the interest on that debt to nature grows. The climate chaos we are beginning to feel is intertwined with this failure to upkeep the environment.

At the same time, the COVID-19 pandemic has revealed the critical need to diversify our economy to withstand future shocks, rebuild a more sustainable tourism sector, and put people back to work in green careers. The visitor green fee proposed in SB666 offers a balanced and focused approach that engages all stakeholders in creating a solution that closes this conservation budget gap, while increasing community resiliency by diversifying our economy and creating green jobs.

The public and private conservation jobs that could be funded by the visitor green fee support a wide array of critical efforts necessary to ensure healthy and vibrant ecosystems, including: coral reef restoration, invasive species removal, native tree planting, campsite and trail maintenance, beach restoration and dune erosion recovery, ditch clearing, wildfire prevention and recovery, fishpond restoration and monitoring, to name a few examples.

Positions range from entry-level to senior project management level jobs, providing opportunities for local residents at multiple levels. Growth opportunities in conservation careers create a future workforce that is equipped to handle natural disasters, support local food systems, and preserve the environment that sustains our communities

and our visitor sector. These conservation careers not only supply jobs, but achieve critical work protecting invaluable natural capital while progressing us towards the State's 2030 Aloha+ Targets and 30x30 marine goals. We have less than a decade left to achieve these targets related to critical terrestrial, marine, and freshwater thresholds, yet there is no clear financing path to achieve these globally recognized ambitions.

With 75% of polled residents supporting a "visitor green fee" (The Nature Conservancy, 2020), this revenue generating mechanism to fund a resilient and green transition forward is a win-win for the community.

Now more than ever, Hawai'i faces challenges beyond the environment, such as housing, healthcare, and affordability. As the State addresses many urgent issues, we urge legislators to continue to prioritize the environment as it underpins every aspect of life and wellbeing on our islands.

Mahalo for the opportunity to testify.

SB-666-SD-1

Submitted on: 2/22/2021 4:28:44 PM

Testimony for WAM on 2/24/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Maki Morinoue	Individual	Support	No

Comments:

I Strongly support this Bill!

I do not like to see any funding being taken away from our arts, culture and education that directly positively impact our local economy, school educators and children and culture in tern impacting our incaeration rates, crime, mental health and local economy. THIS is where we can help protect our aina. Charge a little extra to be able to enjoy our backyard. It is the pay it forward you pay for enjoying the islands beauty. Kepp it beautiful and healthy!

Mahalo

Maki

SB-666-SD-1

Submitted on: 2/22/2021 6:11:34 PM

Testimony for WAM on 2/24/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Andrea Quinn	Individual	Support	No

Comments:

Dear Honorable Committee Members,

Please support SB666. With Hawaii being the "extinction capital of the world" we need all the help we can keep to preserve our diversity and thus our ecosystems, which also bring in millions in tourism dollars.

Sincerely,

Andrea Quinn

SB-666-SD-1

Submitted on: 2/22/2021 6:26:20 PM

Testimony for WAM on 2/24/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lauren Blickley	Individual	Support	No

Comments:

Dear Chair Dela Cruz, Vice Chair Keith Agaran, and members,

My name is Lauren Blickley and I am testifying in support of SB666 SD1, Relating to Environmental Protection.

I encourage the following amendments to be considered:

- **Remove the requirement that visitor arrivals in the previous year reach 5M before the fee may go into effect.**
 - There is not evidence that a \$40 per visitor green fee will hurt the industry, nor that a 5M floor will remedy the hypothetical impact on visitor demand.
 - Moreover, this floor would further delay the much needed support for green jobs to rebuild and diversify our economy now.
- **Re-establish the \$40 per visitor fee or a tax design that is at scale to the estimated \$360M annual conservation budget deficit.**
 - A \$40 per person fee could generate an estimated \$140M in 2022 and \$229M in 2027 based on visitor arrival forecasts (DOTAX, 2021).

Thanks to the efforts and vision of the Hawai'i State Legislature, Hawai'i has been a national and global leader in the fight against climate change and the battle to protect our natural resources. In 2017, we were the first state in the nation to enact legislation that implements portions of the Paris agreement. In 2018, Hawai'i took strong action to protect our ocean resources and fragile marine ecosystems by banning sunscreens with oxybenzone and octinoxate.

Hawai'i took these strides because we recognized one essential truth: we cannot disentangle our environment from our economy. If our natural resources degrade and decline, so does our overall quality of life and the strength of our economy. Nature is our Taj Mahal. Visitors rank nature and the ocean as the top two details that make their trip to Hawaii excellent (Hawaii Tourism Authority, 2017). It is our shared responsibility, both resident and visitor, to ensure the protection and survival of our greatest asset, so that our natural resources continues to protect and sustain future generations.

Unfortunately, the current funding for our reefs, forests, beaches, and watersheds has not kept pace with the stresses and impacts on our environment, such that Hawai'i is running an estimated 40% deficit on its investment in nature (Conservation International, 2018). Each year that we delay adequately funding these efforts, the interest on that debt to nature grows. At the same time, the COVID-19 pandemic has revealed the critical need to diversify our economy to withstand future shocks, rebuild a more sustainable tourism sector, and put people back to work in resilient careers. The visitor green fee proposed in SB666 offers a balanced and focused approach that engages all stakeholders in creating a solution that closes this conservation budget gap, while increasing community resiliency by diversifying our economy and creating green jobs.

The public and private conservation jobs that could be funded by the visitor green fee support a wide array of critical efforts necessary to ensure healthy and vibrant ecosystems, including: coral reef restoration, invasive species removal, native tree planting, campsite and trail maintenance, beach restoration and dune erosion recovery, ditch clearing, wildfire prevention and recovery, fishpond restoration and monitoring – to name a few examples.

Positions range from entry-level to senior project management level jobs, providing opportunities for local residents at multiple levels. Growth opportunities in conservation careers create a future workforce that is equipped to handle natural disasters, support local food systems, and preserve the environment that sustains our communities and our visitor sector. These conservation careers not only supply jobs, but achieve critical work protecting invaluable natural capital while progressing us towards the State's 2030 Aloha+ Targets and 30x30 marine goals. We have less than a decade left to achieve these targets related to critical terrestrial, marine, and freshwater thresholds, yet there is no clear financing path to achieve these globally recognized ambitions.

With 75% of polled residents supporting a “visitor green fee” (The Nature Conservancy, 2020), this revenue generating mechanism to fund a resilient and green transition forward is a win-win for the community.

Now more than ever, Hawai‘i faces challenges beyond the environment, such as housing, healthcare, and affordability. As the State addresses many urgent issues, we urge legislators to continue to prioritize the environment as it underpins every aspect of life and wellbeing on our islands.

Mahalo for the opportunity to testify,

Testimony in **SUPPORT** of:
SB666 SD1 Relating to Environmental Protection

Submitted by:
Emelia von Saltza
67-419 Kukea Circle, Waialua, HI 96791

*WAM Hearing Held
February 24th, 2021*

Dear Chair Dela Cruz, Vice Chair Keith Agaran, and members,

My name is Emelia von Saltza; I am an environmental economist who has spent the last two years researching visitor green fee systems around the world, and I am testifying in **support of SB666 SD1, Relating to Environmental Protection**.

I encourage the following amendments to be considered:

- ***Remove the requirement that visitor arrivals in the previous year reach 5M before the fee may go into effect.***
 - There is not evidence that a \$40 per visitor green fee will hurt the industry, nor that a 5M floor will remedy the hypothetical impact on visitor demand.
 - Moreover, this floor would further delay the much needed support for **green jobs** to rebuild and diversify our economy now.
- ***Re-establish the \$40 per visitor fee or a tax design that is at scale to the estimated \$360M annual conservation budget deficit.***
 - A \$40 per person fee could generate an estimated \$140M in 2022 and \$229M in 2027 based on visitor arrival forecasts (DOTAX, 2021).

For more information on the legal and policy options for visitor green fee programs, see www.conservation.org/hawaiigreenpassport.

Current funding for our reefs, forests, beaches, and watersheds has not kept pace with the stresses and impacts on our environment, such that Hawai‘i is running an estimated 40% deficit on its investment in nature (Conservation International, 2018). Each year that we delay adequately funding these efforts, the interest on that debt to nature grows. At the same time, ***the COVID-19 pandemic has revealed the critical need to diversify our economy to withstand future shocks, rebuild a more sustainable tourism sector, and put people back to work in resilient careers.*** The visitor green fee proposed in SB666 offers a focused approach that engages all stakeholders in ***creating a solution that closes this conservation budget gap, while increasing community resiliency by diversifying our economy and creating green jobs.***

The public and private conservation jobs that could be funded by the visitor green fee support a wide array of critical efforts necessary to ensure healthy and vibrant ecosystems, including: *coral reef restoration, invasive species removal, native tree planting, campsite and trail maintenance, beach restoration and dune erosion recovery, ditch clearing, wildfire prevention and recovery, fishpond restoration and monitoring – to name a few examples.*

Positions range from entry-level to senior project management level jobs, providing opportunities for local residents at multiple levels. Growth opportunities in conservation careers create a future workforce that is equipped to handle natural disasters, support local food systems, and preserve the environment that sustains our communities and our visitor sector. These conservation careers not only supply jobs, but achieve critical work protecting invaluable natural capital while progressing us towards the State's 2030 Aloha+ Targets and 30x30 marine goals. ***We have less than a decade left to achieve these targets related to critical terrestrial, marine, and freshwater thresholds, yet there is no clear financing path to achieve these globally recognized ambitions.***

With 75% of polled residents supporting a “visitor green fee” (The Nature Conservancy, 2020), this revenue generating mechanism to fund a resilient and green transition forward is a win-win for the community.

Now more than ever, Hawai'i faces challenges beyond the environment, such as housing, healthcare, and affordability. As the State addresses many urgent issues, ***we urge legislators to continue to prioritize the environment as it underpins every aspect of life and wellbeing on our islands.***

Mahalo for the opportunity to testify,

Emelia von Saltza

A handwritten signature in black ink, appearing to read 'Emelia', written in a cursive style.

LATE

SB-666-SD-1

Submitted on: 2/23/2021 2:57:22 PM

Testimony for WAM on 2/24/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Camile Cleveland	Individual	Support	No

Comments:

I fully support this bill.

Charley Ice
98-633 Kilinoe Street, Waimalu, Puuloa

LATE

Wednesday, February 24, 2021, 10:00 am

Senate Committee on Ways and Means

SENATE BILL 666 – RELATING TO ENVIRONMENTAL PROTECTION - Green visitor fees to support environmental upkeep

Position: Support and Comment

Me ke Aloha, Chair Donovan Dela Cruz, Vice-Chair Gilbert Keith-Agaran, and Members of the Ways and Means Committee;

SB 666 reflects a widely noted sense of being overwhelmed by the scale of tourism. I feel its purpose is misplaced on two separate grounds:

1) The impact of tourism on local life is not so much on the integrity of the resources – although there is some of that; the greater impact is on being able to enjoy these resources in relative peace and among fellow local people who share the same appreciation and respect of this landscape as our “church”, our family congregation.

2) The far greater environmental impact of tourism is the emissions of jet travel to and from this most remote landfall on earth, which at normal travel altitudes (30,000 to 40,000 feet) are more conducive to climate disruption than emissions at lower altitudes and elevations. (In this regard, the official estimates of the contributions of fossil fuels to climate change are too low.

Green fees for visitors do address a perennial problem of State budgeting – the bill’s reference to the chronically small amounts spent on forest management, trails upkeep, deterring invasive species, maintaining stream cleaning and aquatic life, pursuing relevant research, etc. – things which are embarrassingly afforded only when connected with tourism, as if tourists matter more than our own sense of responsibility for our homeland. As has been pointed out, a green fee is not a deterrent to travel, as perhaps may be something we should consider, and the proposed \$20 flat fee, might be more effectively made a nightly fee.

/s/ Charley Ice

LATE

SB-666-SD-1

Submitted on: 2/23/2021 5:07:07 PM

Testimony for WAM on 2/24/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Nicholas A Kida-Rodrigues	Individual	Support	No

Comments:

My name is Nicholas Kida-Rodrigues and I strongly believe that this bill will benefit the natural beauty and resources of Hawaii for generations to come.

Testimony in **SUPPORT** of:
SB666 SD1 Relating to Environmental Protection

Submitted by:
Dr. Jack Kittinger
Honolulu, HI



WAM Hearing Held
February 24th, 2021

Dear Chair Dela Cruz, Vice Chair Keith Agaran, and members,

My name is Dr. Jack Kittinger, and I am a conservation professional, a professor in sustainability science - and most importantly, a community member in Hawaii that ardently believes in the importance of nature as the backbone of our culture and economy. I am testifying in **support of SB666 SD1, Relating to Environmental Protection.**

This bill is a rare win-win. It will support green job creation at a time when our unemployment is the highest in the country. It will improve the visitor experience, bringing tourists into a pro-nature experience in our islands. And it will generate revenue at a time when our budget is severely impacted by the global pandemic.

I have personally spear-headed an initiative focused on establishing a visitor green fee here in Hawai'i for over 4 years. I sit as the sole non-Palauan representative on the Palau Protected Area Network Board fund, which oversees the visitor green fee revenue and the job creation it supports in Palau, and see first-hand from that experience the benefits that such a system have in communities.

I am grateful that you are hearing this bill, and providing leadership for our state, particularly in this time when so many community members are impacted by this pandemic. This bill offers one solution to help us recover. It has very little downside and tremendous upside.

I encourage the following amendments to be considered:

- **Remove the requirement that visitor arrivals in the previous year reach 5M before the fee may go into effect.**
 - There is no evidence that a \$40 per visitor green fee will hurt the industry. Indeed, many visitors are quite happy to pay more than \$100 for a covid test just so they can walk on our white sandy beaches. There is

no reason a 5M threshold should be included in this bill.

- Moreover, this threshold would further delay the much needed support for **green jobs** to rebuild and diversify our economy now.
- ***Re-establish the \$40 per visitor fee or a tax design that is at scale to the estimated \$360M annual conservation budget deficit.***
 - A \$40 per person fee could generate an estimated \$140M in 2022 and \$229M in 2027 based on visitor arrival forecasts (DOTAX, 2021). It is a nominal fee that is lower than other green fees and will produce jobs at a scale necessary to aid in our unemployment issues, and restore nature in a meaningful way to benefit communities and the visitor experience.

Thank you for your leadership, and I strongly urge you to pass this important legislation into law,

Dr. John N. (Jack) Kittinger

LATE

SB-666-SD-1

Submitted on: 2/24/2021 9:59:21 AM
Testimony for WAM on 2/24/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Fern Anuenue Holland	Individual	Support	No

Comments:

Aloha Senators,

My 'ohana and I are in strong support of this measure. Mahalo!