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## A BILL FOR AN ACT

RELATING TO GREEN FEES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that each year, Hawaii's  
2 reefs, oceans, beaches, and forests provide billions of dollars  
3 in value to the economy through tourism, supporting the  
4 wellbeing of our communities and visitors alike. For our  
5 tourism industry, our ecosystems are vital. Inseparable from  
6 our culture, our environment is integral to our visitor  
7 experience.

8           The legislature additionally finds that even though these  
9 natural resources are critical for the visitor industry and  
10 resident communities, Hawaii invests less than one per cent of  
11 its state budget into those assets. A recent study conducted by  
12 Conservation International, a Washington, D.C.-based  
13 environmental nonprofit, concluded that the State needs to spend  
14 at least \$886,000,000 per year to preserve our ecosystems and  
15 biocultural resources, but our current conservation spending is  
16 only \$535,000,000 per year, leaving an approximately  
17 \$350,000,000 annual conservation spending gap.



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1           The legislature further finds that our State's vital  
2 ecosystems and the resources they harbor continue to decline,  
3 due to lack of adequate investment in proven and effective  
4 conservation approaches. Data demonstrates growing concern that  
5 tourism's positive contribution to the economy may not outweigh  
6 the impact that visitors have on the environment. Ten million  
7 visitors enjoyed the benefits of Hawaii's ecosystem and natural  
8 environment in 2019. Increased demand on our natural resources  
9 requires innovative conservation financing mechanisms focused on  
10 reversing the decline in our ecosystems and the associated risks  
11 for our visitor industry and communities.

12           The legislature also finds that innovative financing  
13 mechanisms such as green fees are trending around the globe to  
14 better manage visitor impacts on ecosystems and natural  
15 resources. In general, green fees require mandatory payments by  
16 visitors to government entities for the explicit purpose of  
17 supporting conservation and natural resources management. Palau  
18 instituted a pristine paradise environmental fee of \$100 in  
19 2018. Fourteen other destinations have green fee programs that  
20 vary from \$1 per night to a \$100 entrance fee, including the  
21 Galapagos Islands, New Zealand, the Maldives, Cancun, and



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1 Venice. According to a report published by Conservation  
2 International in 2019 entitled "Green Passport: Innovative  
3 Financing Solutions for Conservation in Hawaii", Palau's  
4 investment in its natural environment is \$92 per tourist, New  
5 Zealand's is \$188 per tourist, and the Galapagos Islands' is  
6 \$373 per tourist. In contrast, Hawaii invests only \$9 per  
7 tourist in conservation initiatives.

8 The legislature notes that the virus known as "SARS-CoV-2"  
9 causes a disease named "coronavirus disease 2019" (COVID-19),  
10 which spread globally and was declared a pandemic by the World  
11 Health Organization on March 11, 2020. Upon reaching Hawaii's  
12 shores, the COVID-19 outbreak disrupted the local economy,  
13 leaving hundreds of thousands of residents unemployed,  
14 underemployed, or facing financial hardship. Hawaii's high  
15 pandemic-related unemployment rate is largely a result of the  
16 State's dependence on tourism to drive economic growth. To  
17 ensure economic stability, it is necessary to preserve Hawaii's  
18 natural resources from environmental degradation and diversify  
19 the islands' economy, including by investing in high-growth  
20 opportunities in the renewable energy industry that advance the



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1 State's goal of becoming one hundred per cent reliant on clean  
2 energy.

3 The purpose of this Act is to establish a green fees  
4 program to close Hawaii's conservation funding gap and meet the  
5 State's goals of mitigating and adapting to climate change,  
6 preserving natural resources, and transitioning to a clean  
7 energy economy.

8 SECTION 2. Chapter 201, Hawaii Revised Statutes, is  
9 amended by adding two new sections to be appropriately  
10 designated and to read as follows:

11 "§201-A Environmental surcharge on visitor accommodations;  
12 levy; assessment. (a) There is levied and shall be assessed  
13 and collected each year on all visitor accommodations in the  
14 State an environmental surcharge.

15 (b) The environmental surcharge shall be \$5 per day for  
16 each visitor accommodation furnished by an operator or plan  
17 manager.

18 (c) On or before the final day of each calendar month,  
19 every operator or plan manager subject to an environmental  
20 surcharge on visitor accommodations during the preceding  
21 calendar month shall file a sworn return with the director of



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1 finance using a form that the director of finance shall  
2 prescribe, together with a remittance for the amount of the  
3 environmental surcharge required by this section.

4 (d) Notwithstanding subsection (c), the director of  
5 finance, for good cause and in writing, may permit an operator  
6 or plan manager to file a return required by this section and  
7 make payments thereon:

8 (1) On a quarterly basis during the calendar or fiscal  
9 year, the return and payment to be made on or before  
10 the final day of the calendar month after the close of  
11 each quarter; or

12 (2) On a semiannual basis during the calendar or fiscal  
13 year, the return and payment to be made no later than  
14 the final day of the calendar month after the close of  
15 each six-month period;

16 provided that the director of finance is satisfied that the  
17 grant of the permit will not unduly jeopardize the collection of  
18 the surcharge due thereon or the operator's or plan manager's  
19 total surcharge liability.

20 (e) The director of finance, for good cause and in  
21 writing, may permit an operator or plan manager to make monthly



1 payments based on the operator or plan manager's estimated  
2 quarterly or semiannual surcharge liability; provided that the  
3 operator or plan manager files a reconciliation return at the  
4 end of each quarter or each six-month period during the calendar  
5 or fiscal year.

6 (f) If an operator or plan manager filing a return on a  
7 quarterly or semiannual basis, as provided in this section,  
8 becomes delinquent in either the filing of the return or the  
9 payment of the environmental surcharge due thereon, or if the  
10 liability of an operator or plan manager who possesses a permit  
11 to file a return and make payments on a quarterly or semiannual  
12 basis exceeds \$5,000 during the calendar year, or if the  
13 director of finance determines that a quarterly or semiannual  
14 filing of a return would unduly jeopardize the proper  
15 administration of this chapter, including the assessment or  
16 collection of the environmental surcharge on visitor  
17 accommodations, the director of finance, at any time, may revoke  
18 an operator or plan manager's permit, in which case the operator  
19 or plan manager shall then be required to file an immediate  
20 return and make payments thereon as provided in subsection (c).



1        (g) Payments collected under this section shall be  
2 deposited into the green tourism special fund established by  
3 section 201-B.

4        (h) For the purpose of this section:

5        "Operator" shall have the same meaning as in section  
6 237D-1.

7        "Plan manager" shall have the same meaning as in section  
8 237D-1.

9        "Resort time share vacation unit" shall have the same  
10 meaning as in section 237D-1.

11        "Transient accommodations" shall have the same meaning as  
12 in section 237D-1.

13        "Visitor accommodation" means all transient accommodations  
14 and resort time share vacation units and any other dwelling or  
15 lodging located in the State and let by an owner or operator for  
16 less than one hundred eighty days.

17        §201-B Green tourism special fund. (a) There is  
18 established within the state treasury a special fund to be known  
19 as the green tourism special fund to be administered by the  
20 department and into which shall be deposited:



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- 1        (1) Proceeds of the environmental surcharge on visitor  
2        accommodations established under section 201-A;  
3        (2) Appropriations made by the legislature to the fund;  
4        (3) All other grants, donations, and funds received by the  
5        department and legally available for the purposes of  
6        the green tourism special fund; and  
7        (4) Interest accrued on all amounts in the green tourism  
8        special fund.
- 9        (b) Moneys in the fund shall be used for:
- 10       (1) Creating jobs and expanding access to workforce  
11       development relating to environmental conservation,  
12       renewable energy, sustainability, and other economic  
13       sectors aligned with the State's transition to a clean  
14       energy economy;
- 15       (2) Advancing programs that conserve, preserve, sustain,  
16       or restore the State's natural resources;
- 17       (3) Establishing initiatives that promote solid waste  
18       reduction, recycling, bioconversion, and landfill  
19       diversion;
- 20       (4) Increasing local food production and distribution;



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1 (5) Improving the resilience and energy performance of the  
2 State's built environment; and

3 (6) Delivering education on climate change,  
4 sustainability, and 'āina-based stewardship in public  
5 schools.

6 (c) The department shall submit a report to the  
7 legislature on the sources of moneys deposited into the fund and  
8 expenditures of the moneys in the fund no later than twenty days  
9 prior to the convening of each regular session."

10 SECTION 3. In codifying the new sections added by  
11 section 2 of this Act, the revisor of statutes shall substitute  
12 appropriate section numbers for the letters used in designating  
13 the new sections in this Act.

14 SECTION 4. New statutory material is underscored.

15 SECTION 5. This Act shall take effect on July 1, 2021;  
16 provided that the environmental fee established pursuant to this  
17 Act shall take effect on January 1, 2022.

18 INTRODUCED BY:



JAN 20 2021



# H.B. NO. *b*

**Report Title:**

Green Fees; Environmental Surcharge on Visitor Accommodations;  
Green Tourism Special Fund

**Description:**

Establishes an environmental surcharge on visitor accommodations. Establishes the green tourism special fund to invest in the State's transition to a clean energy economy, conservation of natural resources, and sustainability and resiliency.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

