

JAN 27 2021

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# A BILL FOR AN ACT

RELATING TO ENVIRONMENTAL IMPACT FEES.

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

1           SECTION 1. The legislature finds that Hawai'i's reefs,  
2 oceans, beaches, and forests provide billions of dollars in  
3 value to the economy to support the well-being of our  
4 communities and visitors. Hawai'i cannot disentangle its  
5 environment from its economy. Therefore, residents and visitors  
6 understand the value and importance of Hawai'i's natural  
7 resources. Hawai'i's environment and culture is integral to the  
8 experiences of both residents and visitors.

9           The legislature also finds that although these natural  
10 resources are critical for the visitor industry and resident  
11 communities, Hawai'i's total natural resources management funding  
12 constitutes a major unfunded liability that poses a significant  
13 risk to the business climate and economic resiliency of the  
14 State. The legislature further finds that the State's vital  
15 ecosystems and the resources they harbor continue to decline due  
16 to the lack of adequate investment in proven and effective  
17 conservation approaches. Data demonstrates growing concern that



1 the lack of adequate plans to address the multitude of issues  
2 contributes to the continued decline of Hawai'i's environment.

3 In 2019, ten million visitors enjoyed the benefits of  
4 Hawai'i's ecosystems and natural environment, and the number of  
5 visitors is expected to rise in the future. Increased demand on  
6 Hawai'i's natural resources requires the funding of innovative  
7 conservation plans and programs focused on reversing the decline  
8 in ecosystems and the associated risks for Hawai'i's visitor  
9 industry and communities. By prioritizing the protection of  
10 Hawai'i's ocean, forest, and freshwater ecosystems and following  
11 the benchmarks set forth in the Aloha+ Challenge natural  
12 resource management goals, the legislature seeks to generate and  
13 allocate specific funding for state departments and agencies to  
14 implement plans to accomplish the climate change goals of the  
15 State.

16 The purpose of this Act is to require commercial activities  
17 that contribute to the degradation of Hawaii's natural  
18 environment to subsidize the conservation of the State's natural  
19 resources. Specifically, this Act:

- 20 (1) Establishes environmental impacts fees for commercial  
21 ocean recreation vessels;



1           (2) Increases the rental motor vehicle and tour vehicle  
2                    surcharge tax and directs moneys from the tax to the  
3                    Hawaii statewide trail and access program, Na Ala  
4                    Hele; and

5           (3) Increases the aircraft operator registration fee and  
6                    directs moneys from the fee to the special land and  
7                    development fund for, among other things, the  
8                    protection, preservation, maintenance, and enhancement  
9                    of natural resources.

10           SECTION 2. Chapter 200, Hawaii Revised Statutes, is  
11 amended by adding a new section to part II to be appropriately  
12 designated and to read as follows:

13           "§200- Commercial ocean recreation vessel environmental  
14 impact fee. (a) The department shall assess and collect each  
15 year a commercial ocean recreation vessel environmental impact  
16 fee as follows:

17           (1) \$250 for each commercial ocean recreation vessel used  
18           or partially used during the year that falls into the  
19           over twenty-five passenger seat category;



1        (2) \$125 for each commercial ocean recreation vessel used  
2        or partially used during the year that falls into the  
3        eight to twenty-five passenger seat category; and

4        (3) \$75 for each commercial ocean recreation vessel used  
5        or partially used during the year that falls into the  
6        two to seven passenger seat category.

7        The commercial ocean recreation vessel environmental impact  
8        fee shall be levied upon the commercial ocean recreation vessel  
9        operator.

10       (c) Moneys collected by the department from commercial  
11       ocean recreation vessel environmental impact fees shall be  
12       deposited into the coral reef mitigation bank.

13       (d) For purposes of this section, "commercial ocean  
14       recreation vessel" means a vessel used in state marine waters  
15       for commercial operation of thrill craft, high speed boating,  
16       parasailing, water sledding, sailing and snorkeling tours, dive  
17       tours, glassbottom boat tours, charters, or any other similar  
18       commercial ocean recreation activity for hire."

19       SECTION 3. Section 171-19, Hawaii Revised Statutes, is  
20       amended by amending subsection (a) to read as follows:



1           "(a) There is created in the department a special fund to  
2 be designated as the "special land and development fund".  
3 Subject to the Hawaiian Homes Commission Act of 1920, as  
4 amended, and section 5(f) of the Admission Act of 1959, all  
5 proceeds of sale of public lands, including interest on deferred  
6 payments; all moneys collected under section 171-58 for mineral  
7 and water rights; all rents from leases, licenses, and permits  
8 derived from public lands; all moneys collected from lessees of  
9 public lands within industrial parks; all fees, fines, and other  
10 administrative charges collected under this chapter and chapter  
11 183C; a portion of the highway fuel tax collected under chapter  
12 243; all moneys collected by the department for the commercial  
13 use of public trails and trail accesses under the jurisdiction  
14 of the department; transient accommodations tax revenues  
15 collected pursuant to section 237D-6.5(b)(5); a portion of  
16 rental motor vehicle and tour vehicle surcharge tax collected  
17 pursuant to section 251-5; a portion of aircraft annual  
18 registration fees collected pursuant to section 261-15.6; and  
19 private contributions for the management, maintenance, and  
20 development of trails and accesses shall be set apart in the



1 fund and shall be used only as authorized by the legislature for  
2 the following purposes:

3 (1) To reimburse the general fund of the State for  
4 advances made that are required to be reimbursed from  
5 the proceeds derived from sales, leases, licenses, or  
6 permits of public lands;

7 (2) For the planning, development, management, operations,  
8 or maintenance of all lands and improvements under the  
9 control and management of the board pursuant to title  
10 12, including but not limited to permanent or  
11 temporary staff positions who may be appointed without  
12 regard to chapter 76; provided that transient  
13 accommodations tax revenues allocated to the fund  
14 shall be expended as provided in section 237D-  
15 6.5(b)(5);

16 (3) To repurchase any land, including improvements, in the  
17 exercise by the board of any right of repurchase  
18 specifically reserved in any patent, deed, lease, or  
19 other documents or as provided by law;



- 1           (4) For the payment of all appraisal fees; provided that  
2                   all fees reimbursed to the board shall be deposited in  
3                   the fund;
- 4           (5) For the payment of publication notices as required  
5                   under this chapter; provided that all or a portion of  
6                   the expenditures may be charged to the purchaser or  
7                   lessee of public lands or any interest therein under  
8                   rules adopted by the board;
- 9           (6) For the management, maintenance, and development of  
10                   trails and trail accesses under the jurisdiction of  
11                   the department;
- 12           (7) For the payment to private land developers who have  
13                   contracted with the board for development of public  
14                   lands under section 171-60;
- 15           (8) For the payment of debt service on revenue bonds  
16                   issued by the department, and the establishment of  
17                   debt service and other reserves deemed necessary by  
18                   the board;
- 19           (9) To reimburse the general fund for debt service on  
20                   general obligation bonds issued to finance  
21                   departmental projects, where the bonds are designated



1 to be reimbursed from the special land and development  
2 fund;

3 (10) For the protection, planning, management, and  
4 regulation of water resources under chapter 174C; and

5 (11) For other purposes of this chapter."

6 SECTION 4. Section 198D-2, Hawaii Revised Statutes, is  
7 amended as follows:

8 1. By amending subsection (b) to read:

9 "(b) The trail and access program shall use funding for  
10 the management, maintenance, and development of trails and trail  
11 accesses under the jurisdiction of the department from the  
12 following sources:

13 (1) A portion of the highway fuel taxes collected under  
14 chapter 243;

15 (2) Federal government grants;

16 (3) Private contributions;

17 (4) Fees, established pursuant to administrative rules and  
18 charged by the department for the commercial and other  
19 use of trails and trail accesses under the  
20 jurisdiction of the department; [~~and~~]



1 (5) Transient accommodations tax revenues pursuant to  
2 section 237D-6.5[~~-~~]; and  
3 (6) Rental motor vehicle and tour vehicle surcharge tax  
4 remittances pursuant to 251-5."

5 2. By amending subsection (d) to read:

6 "(d) The moneys specified in subsection (b)(1), (3), (4),  
7 [~~and~~] (5), and (6) shall be deposited in the special land and  
8 development fund under section 171-19 for the management,  
9 maintenance, and development of trails and trail accesses under  
10 the jurisdiction of the department; provided that the moneys  
11 specified in subsection (b)(5) and (6) shall be expended for the  
12 management, maintenance, and development of trails and access  
13 areas frequented by visitors in response to a master plan  
14 developed in coordination with the Hawaii tourism authority."

15 SECTION 5. Section 251-2, Hawaii Revised Statutes, is  
16 amended to read as follows:

17 "**§251-2 Rental motor vehicle and tour vehicle surcharge**  
18 **tax.** (a) There is levied and shall be assessed and collected  
19 each month a rental motor vehicle surcharge tax of [~~\$5~~] \$7 a  
20 day, or any portion of a day that a rental motor vehicle is  
21 rented or leased. The rental motor vehicle surcharge tax shall



1 be levied upon the lessor; provided that the tax shall not be  
2 levied on the lessor if:

- 3 (1) The lessor is renting the vehicle to replace a vehicle  
4 of the lessee that is being repaired; and
- 5 (2) A record of the repair order for the vehicle is  
6 retained either by the lessor for two years for  
7 verification purposes or by a motor vehicle repair  
8 dealer for two years as provided in section 437B-16.

9 In addition to the requirements imposed by section 251-4, a  
10 lessor shall disclose, to the department, the portion of the  
11 remittance attributed to the county in which the motor vehicle  
12 was operated under rental or lease.

13 (b) There is levied and shall be assessed and collected  
14 each month a tour vehicle surcharge tax of:

- 15 (1) [~~\$66~~] \$85 for each tour vehicle used or partially used  
16 during the month that falls into the over twenty-five  
17 passenger seat category; and
- 18 (2) [~~\$16~~] \$25 for each tour vehicle used or partially used  
19 during the month that falls into the eight to twenty-  
20 five passenger seat category.



1           The tour vehicle surcharge tax shall be levied upon the  
2 tour vehicle operator."

3           SECTION 6. Section 251-5, Hawaii Revised Statutes, is  
4 amended to read as follows:

5           "**§251-5 Remittances.** All remittances of surcharge taxes  
6 imposed under this chapter shall be made by cash, bank draft,  
7 cashier's check, money order, or certificate of deposit to the  
8 office of the taxation district to which the return was  
9 transmitted. The department shall deposit the moneys into the  
10 state treasury as follows:

11           (1) Sixty per cent to the credit of the state highway  
12           fund[-]; and

13           (2) Forty per cent to the credit of the special land and  
14           development fund established under section 171-19;  
15           provided that the allocation shall be expended in  
16           accordance with the Hawaii tourism authority strategic  
17           plan for:

18           (A) The protection, preservation, maintenance, and  
19           enhancement of natural resources, including  
20           beaches, important to the visitor industry; and



1           (B) Operation and maintenance costs of public lands,  
2           including beaches, connected with enhancing the  
3           visitor experience."

4           SECTION 7. Section 261-15.6, Hawaii Revised Statutes, is  
5 amended to read as follows:

6           "~~§~~261-15.6~~§~~ Annual registration fee. The department  
7 shall assess and collect an annual registration fee of ~~[\$10]~~  
8 \$500 from each operator of aircraft required to be registered  
9 under section 261-15.5~~[-]~~; provided that ninety per cent of the  
10 registration fee shall be allocated to the special land and  
11 development fund established under section 171-19; provided  
12 further that the allocation shall be expended in accordance with  
13 the Hawaii tourism authority strategic plan for:

- 14           (1) The protection, preservation, maintenance, and  
15           enhancement of natural resources, including beaches,  
16           important to the visitor industry;  
17           (2) Planning, construction, and repair of facilities; and  
18           (3) Operation and maintenance costs of public lands,  
19           including beaches, connected with enhancing the  
20           visitor experience."





# S.B. NO. 989

**Report Title:**

Environmental Impact Fees; Commercial Ocean Recreation Vessels; Rental Motor Vehicle and Tow Vehicle Surcharge Tax; Aircraft Registration Fee

**Description:**

Establishes environmental impacts fees for commercial ocean recreation vessels. Increases the rental motor vehicle and tour vehicle surcharge tax and directs moneys from the tax to the Hawaii statewide trail and access program, Na Ala Hele. Increases the aircraft operator registration fee and directs moneys from the fee to the special land and development fund for, among other things, the protection, preservation, maintenance, and enhancement of natural resources.

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

