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# A BILL FOR AN ACT

RELATING TO THE TRANSIENT ACCOMMODATIONS TAX.

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

1       SECTION 1. The legislature finds that Hawaii's natural  
2 resources, including reefs, beaches, oceans, forests, streams,  
3 estuaries, and shorelines, provide irreplaceable and invaluable  
4 benefits to residents, visitors, and the global community at  
5 large. These ecosystems are vital to the State's visitor  
6 industry and the resident community's identity.

7       The legislature also finds that the State's vital  
8 ecosystems and the resources they harbor continue to decline due  
9 to the lack of adequate implementation of proven and effective  
10 conservation approaches and rising pressures of climate change.

11       The legislature further finds that Hawaii's natural  
12 environment faces significant pressure from the heavy use it  
13 receives from residents and persons traveling from throughout  
14 the world to enjoy the State's natural beauty and resources.  
15 Continuing underinvestment in the protection and care of natural  
16 resources poses a significant liability to the stability of the



1 State's natural systems, including water quality, economic  
2 resilience, and health and safety of the ecosystem.

3 Hawaii residents already contribute to the protection and  
4 management of the State's natural resources through taxes,  
5 environmental care and management, subsistence and cultural  
6 practices, and civic responsibility driven by values and  
7 practices embodied in the state constitution. However, with  
8 escalating impacts, there is an immediate need for additional  
9 resources to protect, restore, and manage natural and open space  
10 resources. It is reasonable and timely to create a permanent  
11 fund to protect, restore, and care for these resources.

12 The legislature believes that it is necessary and  
13 appropriate to allocate transient accommodations tax revenues to  
14 help offset the impacts and ensure that a positive environmental  
15 legacy is left for future generations. A natural resource  
16 management special fund with commission oversight will ensure  
17 disbursements are targeted to address the purposes of the fund.

18 The purpose of this Act is to:

19 (1) Establish a natural resource management special fund  
20 for the natural resource management commission to  
21 address impacts to natural resources and management of



1 natural and open space resources that are important to  
2 residents and the visitor industry;

3 (2) Establish a natural resource management commission to  
4 guide and approve the disbursement of moneys deposited  
5 into the natural resource management special fund;

6 (3) Allocate annually, \$30,000,000 in transient  
7 accommodations tax revenues to the natural resource  
8 management special fund;

9 (4) Allocate \$60,000,000 in transient accommodations tax  
10 revenues to the Hawaii tourism authority; and

11 (5) Repeal the transient accommodations tax allocation of  
12 \$3,000,000 to the special land and development fund.

13 SECTION 2. Chapter 201B, Hawaii Revised Statutes, is  
14 amended by adding three new sections to be appropriately  
15 designated and to read as follows:

16 **"§201B-A Natural resource management special fund;**  
17 **establishment.** (a) There is established within the state  
18 treasury the natural resource management special fund, which  
19 shall be expended by the natural resource management commission  
20 to address impacts to natural resources and manage natural and



1 open space resources that are important to residents and the  
2 visitor industry, including:

3     (1) Offsetting adverse environmental impacts caused by  
4     resident and visitor use and ensuring that the State's  
5     natural and open space resources are maintained for  
6     continued use by visitors and future generations, such  
7     as projects that directly restore, enhance, and  
8     protect, in perpetuity, Hawaii's state-owned natural  
9     and open space resources and the State's unique and  
10    vulnerable ecosystems;

11    (2) Protecting, restoring, or enhancing terrestrial or  
12    marine natural resources;

13    (3) Increasing the resilience and adaptation of Hawaii's  
14    natural and open space resources with environmentally  
15    beneficial strategies to reduce the adverse impacts of  
16    climate change, including coastal erosion, sea level  
17    rise, ocean acidification, coral bleaching,  
18    destruction of reefs, and other impacts;

19    (4) Removing and controlling invasive species and  
20    propagating and planting native species; and



(5) Addressing deterioration and removal of dilapidated, condemned, obsolete, or unused buildings or structures located on state land that could otherwise be used as a public park or open space, particularly when the land is in close proximity to the ocean or coastline and can be revitalized for public use and enjoyment.

(b) The following moneys shall be deposited into the natural resource management special fund:

(1) Transient accommodations tax revenues allocated to the natural resource management special fund pursuant to section 237D-6.5(b);

(2) Appropriations made by the legislature; and

(3) Grants and gifts made to the fund.

**§201B-B Natural resource management commission;**  
**establishment; powers; duties.** (a) There is established the natural resource management commission which shall be placed within the Hawaii tourism authority for administrative purposes. The commission shall be composed of:

(1) The following ex officio, voting members:

(A) The chief executive officer of the Hawaii tourism authority or the chief executive officer's



1 designee, who shall serve as the chairperson of  
2 the commission;

3 (B) The director of business, economic development,  
4 and tourism or the director's designee;

5 (C) The chairperson of the board of land and natural  
6 resources or the chairperson's designee;

7 (D) The chairperson of the board of agriculture or  
8 the chairperson's designee;

9 (E) The director of the office of planning and  
10 sustainable development or the director's  
11 designee; and

12 (F) The head of each county's visitors bureau or, if  
13 none, a representative of each county's visitor  
14 industry, to be selected by the respective mayor;  
15 and

16 (2) The following voting members, who shall be nominated  
17 by the officials provided in this paragraph and shall  
18 be appointed by the governor in the manner prescribed  
19 in section 26-34:

20 (A) One representative of a nonprofit organization  
21 having expertise in impacts to natural resources



1 and the management of natural and open space  
2 resources that are important to residents and the  
3 visitor industry, who shall be nominated by the  
4 chairperson of the commission;

5 (B) One representative of a nonprofit organization  
6 having expertise in addressing deterioration and  
7 removal of dilapidated, condemned, obsolete, or  
8 unused buildings or structures located on state  
9 land that could otherwise be used as a public  
10 park or open space, particularly when the land is  
11 in close proximity to the ocean or coastline and  
12 can be revitalized for public use and enjoyment,  
13 who shall be nominated by the director of  
14 business, economic development, and tourism;

15 (C) One representative of a nonprofit organization  
16 having expertise in the protection, restoration,  
17 and care of terrestrial natural resources, who  
18 shall be nominated by the chairperson of the  
19 board of land and natural resources;

20 (D) One representative of a nonprofit organization  
21 having expertise in the protection, restoration,



1 and care of marine and coastal natural resources,  
2 who shall be nominated by the chairperson of the  
3 board of land and natural resources;

4 (E) One representative of a nonprofit organization  
5 having expertise in climate change mitigation and  
6 resiliency, who shall be nominated by the  
7 director of the office of planning and  
8 sustainable development;

9 (F) One representative from the Native Hawaiian  
10 community who has expertise in the protection,  
11 restoration, care, and interpretation of native  
12 Hawaiian cultural resources, who shall be  
13 nominated by the chairperson of the commission;

14 (G) One representative between the age of eighteen  
15 and twenty-five years, inclusive, who works or  
16 has worked in the field of environmental  
17 sustainability or restoration, or both, who shall  
18 be nominated by the chairperson of the  
19 commission; and





1           (H) One representative from the visitor sector and  
2           tourism industry, who shall be nominated by the  
3           chairperson of the commission.

4           (b) A simple majority of the members shall establish a  
5           quorum.

6           (c) The members shall serve without compensation but shall  
7           be reimbursed for expenses, including travel expenses, necessary  
8           for the performance of their duties.

9           (d) The natural resource management commission may hire  
10          staff necessary to effectuate the purposes of this section. The  
11          staff, at a minimum, shall include one full-time equivalent  
12          permanent manager position and one full-time equivalent  
13          permanent clerical position.

14          (e) The natural resource management commission shall:

15          (1) Expend no more than three per cent of the annual  
16          allocation of transient accommodations tax revenues to  
17          the natural resource management special fund for  
18          administrative and staffing expenses;

19          (2) Expend revenues deposited into the natural resource  
20          management special fund through the provision of  
21          grants to state agencies, the counties, and non-profit



organizations for the purposes of the fund; provided  
that no more than five per cent of the moneys  
disbursed for the grants from the fund may be used for  
personnel and other administrative costs; and

(3) Promote transparency and accountability in determining  
the specific uses for and disbursements from the fund,  
subject to the uses authorized under section 201B-A.

**§201B-C Report to legislature.** (a) No later than twenty  
days prior to the convening of the regular session of 2025 and  
each year thereafter, the Hawaii tourism authority shall submit  
a report to the legislature.

(b) The report shall contain information on ways that the  
natural resources management special fund addressed impacts to  
natural resources and managed natural and open space resources  
that are important to residents and the visitor industry during  
the previous fiscal year and the benefits to the State's natural  
and open space resources that accrue or will accrue from those  
expenditures.

(c) The Hawaii tourism authority shall also publish the  
annual reports on its website."



1       SECTION 3. Section 237D-6.5, Hawaii Revised Statutes, is  
2 amended by amending subsection (b) to read as follows:

3       "(b) Except for the revenues collected pursuant to section  
4 237D-2(e), revenues collected under this chapter shall be  
5 distributed in the following priority, with the excess revenues  
6 to be deposited into the general fund:

7       (1) \$1,500,000 shall be allocated to the Turtle Bay  
8 conservation easement special fund beginning July 1,  
9 2015, for the reimbursement to the state general fund  
10 of debt service on reimbursable general obligation  
11 bonds, including ongoing expenses related to the  
12 issuance of the bonds, the proceeds of which were used  
13 to acquire the conservation easement and other real  
14 property interests in Turtle Bay, Oahu, for the  
15 protection, preservation, and enhancement of natural  
16 resources important to the State, until the bonds are  
17 fully amortized;

18       (2) \$11,000,000 shall be allocated to the convention  
19 center enterprise special fund established under  
20 section 201B-8;



(3) An allocation shall be deposited into the tourism emergency special fund, established in section 201B-10, in a manner sufficient to maintain a fund balance of \$5,000,000 in the tourism emergency special fund; [and

~~(4) \$3,000,000 shall be allocated to the special land and development fund established under section 171-19; provided that the allocation shall be expended in accordance with the Hawaii tourism authority strategic plan for:~~

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

~~(B) Planning, construction, and repair of facilities; and~~

~~(C) Operation and maintenance costs of public lands, including beaches, connected with enhancing the visitor experience.]~~

(4) \$30,000,000 shall be allocated to the natural resource management special fund established under section 201B-A; and



1        (5) \$60,000,000 shall be allocated to the Hawaii tourism  
2        authority.

3        All transient accommodations taxes shall be paid into the  
4        state treasury each month within ten days after collection and  
5        shall be kept by the state director of finance in special  
6        accounts for distribution as provided in this subsection."

7        SECTION 4. There is appropriated out of the natural  
8        resource management special fund the sum of \$30,000,000 or so  
9        much thereof as may be necessary for fiscal year 2022-2023 for:

10       (1) The purposes of the fund established under section  
11       201B-A, Hawaii Revised Statutes, established by this  
12       Act; and

13       (2) Administrative and staffing expenses for the natural  
14       resource management commission to include one full-  
15       time equivalent (1.0 FTE) permanent manager position  
16       and one full-time equivalent (1.0 FTE) permanent  
17       clerical position.

18       The sum appropriated shall be expended by the natural  
19       resource management commission for the purposes of this Act.

20       SECTION 5. There is appropriated out of the transient  
21       accommodations tax revenues the sum of \$60,000,000 or so much



1 thereof as may be necessary for fiscal year 2022-2023 for  
2 operating expenses of the Hawaii tourism authority.

3 The sum appropriated shall be expended by the Hawaii  
4 tourism authority for its operations.

5 SECTION 6. In codifying the new sections added by section  
6 2 of this Act, the revisor of statutes shall substitute  
7 appropriate section numbers for the letters used in designating  
8 the new sections of this Act.

9 SECTION 7. Statutory material to be repealed is bracketed  
10 and stricken. New statutory material is underscored.

11 SECTION 8. This Act shall take effect upon its approval;  
12 provided that the amendments made to section 237D-6.5(b), Hawaii  
13 Revised Statutes, by section 3 of this Act shall not be repealed  
14 when that section is reenacted on June 30, 2023, pursuant to:

15 (1) Section 9 of Act 229, Session Laws of Hawaii 2021; and

16 (2) The provisions of H.B. No. 2049, if passed in any  
17 version by the legislature during the regular session of 2022  
18 whether before, on, or after the effective date of this Act,  
19 that preserve the amendments made to section 237D-6.5(b), Hawaii  
20 Revised Statutes, by section 13 of Act 1, Special Session Laws  
21 of Hawaii 2021.



**Report Title:**

Transient Accommodations Tax; Hawaii Tourism Authority; Tourism;  
Natural Resource Management; Fund; Commission; Report;  
Appropriation; Positions

**Description:**

Establishes the natural resource management special fund and authorizes uses for moneys in the fund. Establishes a natural resource management commission to guide and approve the disbursement of moneys deposited into the fund. Allocates transient accommodations tax revenues to the natural resource management special fund. Allocates transient accommodations tax revenues to the Hawaii tourism authority. Repeals the allocation of transient accommodations tax revenues to the special land and development fund. Appropriates funds from the natural resource management special fund and for operating expenses of the Hawaii tourism authority. (HD1)

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