

Honolulu, Hawaii

FEB 17 2023

RE: S.B. No. 304
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committees on Water and Land and Energy, Economic Development, and Tourism, to which was referred S.B. No. 304 entitled:

"A BILL FOR AN ACT RELATING TO VISITOR IMPACT FEES,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a visitor impact fee program within the Department of Land and Natural Resources, through which the Department will collect a fee for a license to visit a state park, forest, hiking trail, or other state natural area;
- (2) Establish the Environmental Legacy Commission to allocate revenues from the visitor impact fee to protect and manage natural resources; and
- (3) Establish the Visitor Impact Fee Special Fund.

Your Committees received testimony in support of this measure from the Office of the Governor, Department of Land and Natural Resources, Office of Planning and Sustainable Development, Hawai'i Tourism Authority, The Nature Conservancy, Imua Alliance, Hawaii Reef and Ocean Coalition, Climate Protectors Hawaii, Surfrider Foundation, Kupu, Mālama Learning Center, Environmental Caucus of



the Democratic Party of Hawai'i, Kingdom Pathways, Resources Legacy Fund, Hawai'i Lodging and Tourism Association, Sustainable Coastlines Hawai'i, and fifty individuals. Your Committees received testimony in opposition to this measure from three individuals. Your Committees received comments on this measure from the Department of the Attorney General, Tax Foundation of Hawaii, Kohala Coast Resort Association, Maui Hotel and Lodging Association, and one individual.

Your Committees find that Hawaii's natural resources, including reefs, oceans, forests, streams, estuaries, shorelines, and beaches, provide irreplaceable and invaluable benefits to visitors, residents, and the global community. However, your Committees find that with escalating visitor impacts and an increasing global threat to our island ecosystem, there is an immediate need for additional resources to protect, restore, sustain, manage, and conserve our natural resources.

Your Committees find that a regenerative tourism fee has been suggested by the Hawaii Tourism Authority as a potential means to obtain these critical resources. Your Committees find that it is timely to ask visitors who enjoy and reap the benefits of Hawaii's natural resources to further contribute to their protection, care, and restoration. Therefore, this measure establishes the Visitor Impact Fee Program within the Department of Land and Natural Resources, through which the Department will collect a fee for a license to visit a state park, forest, hiking trail, or other state natural area; establishes the Environmental Legacy Commission to allocate revenues from the visitor impact fee to protect and manage natural resources; and establishes the Visitor Impact Fee Special Fund.

Your Committees have heard the testimony of the Department of the Attorney General, requesting that this measure incorporate certain key features of a similar measure introduced by the Governor, S.B. No. 1349, Regular Session 2023, which had been reviewed by the Department of the Attorney General and is more narrowly tailored. Specifically, S.B. No. 1349 provides that site-specific areas subject to the license requirement will be set by rule and emphasizes that the uses of the special fund will be closely related to the impacts of visitors on natural resources.

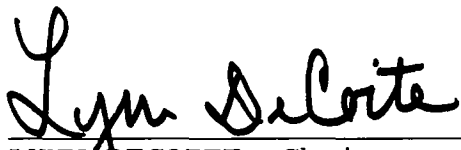


Therefore, your Committees have amended this measure by:

- (1) Eliminating the proposed Environmental Legacy Commission and granting the Department of Land and Natural Resources the authority over the Visitor Impact Fee Program;
- (2) Providing that the site-specific areas subject to the license requirement will be set by rule;
- (3) Limiting the use of revenues from the Visitor Impact Fee Program for state parks and other natural resource maintenance and improvement projects under the Department of Land and Natural Resources' jurisdiction that are impacted by visitors;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water and Land and Energy, Economic Development, and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 304, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 304, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Water and Land
and Energy, Economic
Development, and Tourism,



LYNN DECOITE, Chair


LORRAINE R. INOUE, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:*	Committee Referral:	Date:		
SB304	WTL/EET, WAM	2/14/23		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
INOUYE, Lorraine R. (C)	✓			
ELEFANTE, Brandon J.C. (VC)	✓			
CHANG, Stanley				✓
MCKELVEY, Angus L.K.	✓			
FEVELLA, Kurt				✓
TOTAL	3	0	0	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes

The Senate
Thirty-Second Legislature
State of Hawai'i

Record of Votes
Committee on Energy, Economic Development, and Tourism
EET

Bill / Resolution No.:* SB 304	Committee Referral: WTL/EET, WAM	Date: 2-14-23		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DECOITE, Lynn (C)	✓			
WAKAI, Glenn (VC)	✓			
FUKUNAGA, Carol				✓
KIM, Donna Mercado	✓			
FEVELLA, Kurt				✓
TOTAL	3	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

***Only one measure per Record of Votes**