

---

---

# 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 further finds that the State's vital  
8 ecosystems and resources continue to decline due to the lack of  
9 adequate implementation of proven and effective conservation  
10 approaches and rising pressures of climate change.

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



1 natural systems, including water quality, economic resilience,  
2 and the 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 commission to  
20 guide and approve the disbursement of moneys deposited  
21 into the natural resource management special fund;





- 1           (1) The following ex officio, voting members:
- 2           (A) The chairperson of the board of land and natural
- 3                 resources or the chairperson's designee;
- 4           (B) The director of business, economic development,
- 5                 and tourism or the director's designee; and
- 6           (C) The head of each county's visitors bureau or, if
- 7                 none, a representative of each county's visitor
- 8                 industry, to be selected by the respective mayor;
- 9                 and
- 10          (2) The following voting members, who shall be appointed
- 11           by the governor in the manner prescribed in section
- 12           26-34:
- 13          (A) One representative of a nonprofit organization
- 14                 having expertise in impacts to natural resources
- 15                 and the management of natural and open space
- 16                 resources that are important to residents and the
- 17                 visitor industry;
- 18          (B) One representative of a nonprofit organization
- 19                 having expertise in the protection, restoration,
- 20                 and care of marine and coastal natural resources;



1           (C) One representative of a nonprofit organization  
2           having expertise in climate change mitigation and  
3           resiliency;

4           (D) One representative from the Native Hawaiian  
5           community who has expertise in the protection,  
6           restoration, care, and interpretation of native  
7           Hawaiian cultural resources;

8           (E) One representative between the age of eighteen  
9           and twenty-five years, inclusive, who works or  
10          has worked in the field of environmental  
11          sustainability or restoration, or both; and

12          (F) One representative from the visitor sector and  
13          tourism industry.

14          (b) A simple majority of the members shall establish a  
15          quorum. The members shall elect a chairperson of the natural  
16          resource management commission from amongst those appointed by  
17          the governor pursuant to subsection (a) (2).

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



1 (d) The natural resource management commission may hire  
2 staff necessary to effectuate the purposes of this section. The  
3 staff, at a minimum, shall include one full-time equivalent  
4 permanent manager position and one full-time equivalent  
5 permanent clerical position.

6 (e) The natural resource management commission shall:

7 (1) Expend no more than three per cent of the annual  
8 allocation of transient accommodations tax revenues to  
9 the natural resource management special fund for  
10 administrative, office, and staffing expenses;

11 (2) Expend revenues deposited into the natural resource  
12 management special fund through the provision of  
13 grants to state agencies, the counties, and non-profit  
14 organizations for the purposes of the fund; provided  
15 that no more than three per cent of the moneys  
16 disbursed for the grants from the fund shall be used  
17 for personnel and other administrative costs; and

18 (3) Promote transparency and accountability in determining  
19 the specific uses for and disbursements from the fund,  
20 subject to the uses authorized under section -2.



1           §   -2 Natural resource management special fund;  
2 **establishment.** (a) There is established within the state  
3 treasury the natural resource management special fund, which  
4 shall be expended by the natural resource management commission:  
5           (1) To address impacts to natural resources and manage  
6                natural and open space resources that are important to  
7                residents and the visitor industry, including:  
8                (A) Offsetting adverse environmental impacts caused  
9                    by resident and visitor use and ensuring that the  
10                   State's natural and open space resources are  
11                   maintained for continued use by visitors and  
12                   future generations, such as projects that  
13                   directly restore, enhance, and protect, in  
14                   perpetuity, Hawaii's state-owned natural and open  
15                   space resources and the State's unique and  
16                   vulnerable ecosystems;  
17                (B) Protecting, restoring, or enhancing terrestrial  
18                   or marine natural resources;  
19                (C) Increasing the resilience and adaptation of  
20                   Hawaii's natural and open space resources with  
21                   environmentally beneficial strategies to reduce



1           the adverse impacts of climate change, including  
2           coastal erosion, sea level rise, ocean  
3           acidification, coral bleaching, destruction of  
4           reefs, and other impacts;  
5           (D) Removing and controlling invasive species and  
6           propagating and planting native species; and  
7           (E) Addressing deterioration and removal of  
8           dilapidated, condemned, obsolete, or unused  
9           buildings or structures located on state land  
10          that could otherwise be used as a public park or  
11          open space, particularly when the land is in  
12          close proximity to the ocean or coastline and can  
13          be revitalized for public use and enjoyment;  
14          (2) Through the provision of grants to state agencies, the  
15          counties, and non-profit organizations for the  
16          purposes described in paragraph (1); provided that no  
17          more than three per cent of the moneys disbursed for  
18          the grants from the fund shall be used for personnel  
19          and other administrative costs; and  
20          (3) For administrative, office, and staffing expenses for  
21          the natural resource management commission.





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

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

6 (2) Appropriations made by the legislature; and

7 (3) Grants and gifts made to the fund.

8 § -3 Report to legislature. The natural resource  
9 management commission shall submit a report on ways that the  
10 natural resource management special fund addressed impacts to  
11 natural resources and managed natural and open space resources  
12 that are important to residents and the visitor industry during  
13 the previous fiscal year and the benefits to the State's natural  
14 and open space resources that accrue or will accrue from those  
15 expenditure no later than twenty days prior to the convening of  
16 the regular session of 2026 and each year thereafter. The  
17 natural resource management commission shall publish the annual  
18 reports on its website."

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



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

5           (1) \$1,500,000 shall be allocated to the Turtle Bay  
6 conservation easement special fund beginning July 1,  
7 2015, for the reimbursement to the state general fund  
8 of debt service on reimbursable general obligation  
9 bonds, including ongoing expenses related to the  
10 issuance of the bonds, the proceeds of which were used  
11 to acquire the conservation easement and other real  
12 property interests in Turtle Bay, Oahu, for the  
13 protection, preservation, and enhancement of natural  
14 resources important to the State, until the bonds are  
15 fully amortized;

16           (2) \$11,000,000 shall be allocated to the convention  
17 center enterprise special fund established under  
18 section 201B-8;

19           (3) An allocation shall be deposited into the tourism  
20 emergency special fund, established in section 201B-  
21 10, in a manner sufficient to maintain a fund balance



1 of \$5,000,000 in the tourism emergency special fund;  
2 and

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

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

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

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

16 (4) \$30,000,000 shall be allocated to the natural resource  
17 management special fund established under  
18 section -2.

19 All transient accommodations taxes shall be paid into the  
20 state treasury each month within ten days after collection and



1 shall be kept by the state director of finance in special  
2 accounts for distribution as provided in this subsection."

3 SECTION 4. There is appropriated out of the natural  
4 resource management special fund under section -2, Hawaii  
5 Revised Statutes, established by this Act, the sum of  
6 \$30,000,000 or so much thereof as may be necessary for fiscal  
7 year 2023-2024 and the same sum or so much thereof as may be  
8 necessary for fiscal year 2024-2025 for:

- 9 (1) The purposes of the fund under section -2, Hawaii  
10 Revised Statutes, established by this Act; and  
11 (2) Administrative, office, and staffing expenses for the  
12 natural resource management commission to include one  
13 full-time equivalent (1.0 FTE) permanent manager  
14 position and one full-time equivalent (1.0 FTE)  
15 permanent clerical position.

16 The sums appropriated shall be expended by the natural  
17 resource management commission for the purposes of this Act.

18 SECTION 5. Statutory material to be repealed is bracketed  
19 and stricken. New statutory material is underscored.

20 SECTION 6. This Act shall take effect on July 1, 2023;  
21 provided that the amendments made to section 237D-6.5(b), Hawaii



# H.B. NO. 1388

1 Revised Statutes, by section 3 of this Act shall not be repealed  
2 when that section is reenacted on June 30, 3023, pursuant to  
3 section 9 of Act 229, Session Laws of Hawaii 2021.

4

INTRODUCED BY:



**JAN 25 2023**



# H.B. NO. 1388

**Report Title:**

Transient Accommodations Tax; Natural Resource Management;  
Special Fund; Natural Resource Management Commission;  
Appropriation

**Description:**

Establishes the natural resource management commission and special fund. Repeals the allocation of transient accommodations tax revenues to the special land and development fund. Allocates transient accommodations tax revenues to the natural resource management special fund. Appropriates funds from the natural resource management special fund for the purposes of the fund and administrative, office, and staffing expenses.

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

