
A BILL FOR AN ACT

RELATING TO STATE FINANCES.

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

1 SECTION 1. The legislature finds that Hawaii's natural
2 environment faces significant pressure from climate change and
3 the heavy use it receives from persons traveling to enjoy the
4 State's natural resources. Climate change and overuse are
5 placing our natural and cultural resources in increasing peril
6 creating greater risk of fire, flood, coastal erosion, loss of
7 reefs, and pollution of our air and water supplies threatening
8 lives, homes, visitor accommodations, fisheries, stability of
9 other natural systems, and irreplaceable Hawaiian cultural
10 landscapes enjoyed by Hawaii residents and tourists. The
11 current underinvestment in our natural and cultural resources
12 significantly limits the ability of the State and our
13 communities to improve management of our lands, waters, and
14 cultural sites to reduce these risks and to respond to climate
15 crises when they occur. Climate change will intensify and
16 increase the threat of these emergencies unless we take
17 significantly greater action now to prevent them.

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1 The recent tragedy on Maui due to the Lahaina wildfire
2 resulted in unbearable loss of lives, homes, infrastructure, and
3 businesses, and will have severe economic costs for residents
4 and public agencies to pay for the response, remediation, and
5 rebuilding, as well as ongoing revenue losses for Hawaii's
6 tourism industry and state and local governments. This tragic
7 event is a wake-up call for all Hawaii residents, businesses,
8 and public agencies to significantly increase efforts to prevent
9 climate crises and limit the damage when crises do occur.

10 Non-native grasses and other non-native plants, mismanaged
11 lands, and reduced water availability present continuing
12 wildfire risks to the lives and homes of Hawaii residents,
13 hotels and other visitor accommodations, native ecosystems and
14 cultural landscapes, and Hawaii's tourism-dependent economy. In
15 addition to wildfires, climate crises also result from the loss
16 and degradation of our coral reefs that protect homes, beaches,
17 businesses, and infrastructure from coastal erosion. Coastal
18 erosion often exposes and damages historic Hawaiian burials as
19 sand dunes were a traditional burial location across Hawaii.
20 Furthermore, the degradation of coral reefs threatens fisheries
21 and other ocean life that are important to the State's tourism
22 industry, provides food for residents, and contributes

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1 significantly to Hawaii's quality of life. Hawaii's forests and
2 other watershed lands are critical to the quality and the
3 quantity of water that sustains families, visitors, businesses,
4 and native fish and wildlife. Hawaii's water supplies will be
5 impaired unless greater action is taken to protect and restore
6 forest and watershed lands in the State.

7 The legislature also finds that climate change will cause
8 more frequent and severe droughts that threaten the water
9 supplies that sustain homes, visitor accommodations, and
10 sensitive natural and cultural resources. Climate change will
11 also cause more intense storms leading to more floods causing
12 water contamination; damage to homes, businesses, and
13 infrastructure; and risk of life and health.

14 The legislature further finds that the number of floods per
15 year has already sharply increased since the 1960s and is
16 expected to keep rising. Significant pollution events and
17 chronic release of contaminants weaken the resiliency of
18 Hawaii's natural environment and pollutes the air, land, fresh
19 water supplies, and nearshore waters threatening the health of
20 Hawaii residents, visitors, and fish and wildlife.

21 Climate crises can cost taxpayers billions of dollars in
22 response and recovery costs and repairs to infrastructure, while

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1 reducing revenues especially if the crises adversely impact
2 tourism and other industries. The costs borne by the public to
3 respond to and recover from climate crises exceeds the costs of
4 preventing them by billions of dollars.

5 Climate change is impacting health in a myriad of ways,
6 including by leading to death and illness from increasingly
7 frequent extreme weather events such as heatwaves, storms, and
8 floods; disrupting food systems; and increasing zoonoses and
9 food-, water-, and vector-borne diseases and mental health
10 issues. Climate change can disrupt food availability, reduce
11 access to food, and affect food quality. Projected increases in
12 temperatures, changes in precipitation patterns, changes in
13 extreme weather events, and reductions in water availability may
14 all result in reduced agricultural productivity and disrupt food
15 chain supply, which could be detrimental to the Hawaiian
16 islands.

17 The work of the department of land and natural resources
18 and other departments, agencies, and community partners directly
19 improves the health and sustainability of Hawaii's lands,
20 waters, and cultural sites through actions such as fencing in
21 native forests to restrict ungulates and stop the spread of
22 invasive species and diseases such as rapid ohia death, stream

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1 surveys to monitor native stream species health and water
2 levels, and restoring coral reefs through propagation and
3 release of sea urchins. Hawaii has many of the solutions to
4 prevent and mitigate climate crises by looking to indigenous
5 Hawaiian land, water, ocean, and cultural site stewardship
6 practices. Perpetuation of traditional Hawaiian management
7 practices, including fishponds, loi kalo, and mauka-makai
8 ahupuaa management, results in increased groundwater recharge,
9 decreased sediment reaching the ocean and reefs, increased
10 community volunteerism, and increased public education and
11 changed behaviors about pono stewardship practices.

12 While the State has many of the solutions for prevention,
13 the State and the counties currently do not have the needed
14 resources to implement even the highest priority climate crises
15 prevention measures. Furthermore, delays in federal
16 reimbursements, when available, make it difficult to sustain
17 response efforts when climate crises strike. The State has a
18 compelling and urgent need to increase funding to prevent
19 climate crises and fully respond to crises when they occur.

20 The purpose of this Act is to establish the climate health
21 and environmental action special fund to prevent climate crises
22 and more effectively respond to climate crises when they occur.

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1 SECTION 2. The Hawaii Revised Statutes is amended by
2 adding a new chapter to be appropriately designated and to read
3 as follows:

4 "CHAPTER

5 CLIMATE HEALTH AND ENVIRONMENTAL ACTION SPECIAL FUND

6 § -1 Definitions. As used in this chapter, unless the
7 context otherwise requires:

8 "Climate crisis" means but is not limited to wildfires; sea
9 level rise and coastal erosion resulting in loss of beaches,
10 public infrastructure, and public facilities; exposure and
11 damage to coastal burials; loss or degradation of reefs; extreme
12 heat; droughts; floods; and pollution that contaminates drinking
13 water or nearshore waters.

14 "Chairperson" means the chairperson of the board of land
15 and natural resources.

16 "Department" means the department of land and natural
17 resources.

18 "Fund" means the climate health and environmental action
19 special fund.

20 "Nonprofit organization" means an organization that has
21 been granted tax exempt status by the Internal Revenue Service
22 pursuant to section 501(c)(3) of the Internal Revenue Code of

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1 1986, as amended, and that has among its charitable purposes
2 preventing or responding to climate crises; preservation,
3 restoration, or management of natural or cultural resources for
4 cultural perpetuation, scientific, historic, educational,
5 recreational, scenic, wildlife, or open-space purposes;
6 protection of the natural environment or biological resources,
7 or both; preservation, enhancement, or both, of wildlife; and
8 protection of native Hawaiian cultural resources and practices
9 related thereto.

10 "Resilience" includes but is not limited to actions with
11 the ability to anticipate, prevent, prepare for, and respond to
12 climate crises events, trends, or disturbances.

13 § -2 **Climate health and environmental action special**
14 **fund.** (a) There is established in the state treasury the
15 climate health and environmental action special fund to be
16 administered by the chairperson of the department to minimize
17 the impacts of, and respond to, climate crises.

18 (b) Moneys from the fund shall be expended only for the
19 following purposes:

20 (1) Wildfire prevention and response strategies to protect
21 communities, sites frequented by tourists and other
22 visitors, and sensitive environmental and cultural

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1 resources. Highest priority shall be placed on
2 environmentally beneficial wildfire prevention
3 strategies including removal of non-native grasses and
4 other non-native vegetation; propagation and planting
5 of native species; restoration of stream flows;
6 restoration of forests and watersheds; and
7 restoration, or establishment and enhancement of
8 traditional Hawaiian land management and agricultural
9 practices;

10 (2) Flood prevention;

11 (3) Coral reef protection and restoration and other
12 environmentally beneficial strategies that protect
13 fisheries or help prevent shoreline erosion and
14 coastal flooding;

15 (4) Emergency drinking water supplies when droughts or
16 water pollution prevent the traditional water supplies
17 from meeting the drinking water needs of residents and
18 visitors. Measures may include, but are not limited
19 to, conservation measures, temporary extension of
20 pipelines, and the use of trucks or other vehicles
21 needed to deliver emergency water supplies;

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- 1 (5) Provision of emergency sources of electricity from
2 portable renewable energy sources, as needed, for
3 communities adversely impacted by a climate crisis;
- 4 (6) Heat management including green infrastructure and
5 programs that plant trees and vegetation that can cool
6 ecosystems, and help keep buildings and their
7 surroundings cooler;
- 8 (7) Shoreline restoration and coastal management to
9 address and adapt to sea level rise and coastal
10 erosion;
- 11 (8) Other environmentally compatible strategies to prevent
12 or reduce the potential harm that climate crises can
13 cause;
- 14 (9) Protection of lives, homes, businesses, sites popular
15 with tourists and other visitors, and infrastructure
16 when climate crises occur;
- 17 (10) Perpetuation of indigenous Hawaiian land, water,
18 ocean, and cultural site stewardship practices;
- 19 (11) Preparation of climate crises prevention and response
20 strategies and plans; and
- 21 (12) Costs to administer this chapter.

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1 (c) In allocating funding for prevention projects, the
2 department shall prioritize projects that include one or more of
3 the following features:

4 (1) Projects that are cost-effective; or

5 (2) Projects that provide significant benefits relative to
6 their cost, are equitable, protect homes, protect and
7 improve native fish and wildlife habitat, protect
8 natural and cultural resources including but not
9 limited to those that are important to the tourism
10 industry, and provide nature-based or indigenous-led
11 solutions to help prevent climate crises. These
12 priorities are not listed in priority order.

13 The department shall allocate at least twenty-five per cent of
14 the funds each year for grants to counties and nonprofit
15 organizations to plan for and implement climate crisis
16 prevention projects consistent with this section.

17 (d) Grants shall be made to counties and nonprofit
18 organizations to plan for and implement climate crisis
19 prevention projects consistent with subsection (c).

20 Applications for grants shall be made to the department and
21 contain such information as the department shall require by

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1 rules adopted pursuant to chapter 91. At a minimum, the
2 applicant must show that:

- 3 (1) The grant shall be used exclusively for activities
4 consistent with the purposes of this chapter;
- 5 (2) The applicant shall have applied for or received all
6 applicable licenses and permits;
- 7 (3) The applicant shall comply with all applicable federal
8 and state laws prohibiting discrimination against any
9 person on the basis of race, color, national origin,
10 religion, creed, sex, age, sexual orientation,
11 disability, or any other characteristic protected
12 under applicable federal or state law;
- 13 (4) The applicant shall comply with other requirements as
14 the department may prescribe;
- 15 (5) All activities and improvements undertaken with funds
16 received shall comply with all applicable federal,
17 state, and county statutes and ordinances, including
18 applicable building codes and agency rules; and
- 19 (6) The applicant shall indemnify and save harmless the
20 State of Hawaii and its officers, agents, and
21 employees from and against any and all claims arising
22 out of or resulting from activities carried out or

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1 projects undertaken with funds provided hereunder, and
2 procure sufficient insurance to provide this
3 indemnification if requested to do so by the
4 department.

5 (e) To receive a grant under this section an applicant
6 shall:

7 (1) Be either:

8 (A) A nonprofit community-based organization
9 determined to be exempt from federal income
10 taxation by the Internal Revenue Service;

11 (B) A cooperative association; or

12 (C) An organization providing technical assistance;

13 (2) In the case of a nonprofit organization, have a
14 governing board whose members have no material
15 conflict of interest and serve without compensation,
16 have bylaws or policies that describe the manner in
17 which business is conducted and policies relating to
18 nepotism and management of potential conflict of
19 interest situations, and employ or contract with not
20 more than two members of a family or kin of the first
21 or second degree unless specifically permitted by the
22 department;

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1 (3) Agree to make available to the department all records
2 the applicant may have relating to the grant, to
3 allow state agencies to monitor the applicant's
4 compliance with the purpose of this chapter; and

5 (4) Establish, to the satisfaction of the department, that
6 sufficient funds are available for the effective
7 operation of the activity, business, enterprise, or
8 technical assistance for the purpose for which the
9 grant is awarded.

10 (f) The following shall be deposited into the fund:

11 (1) Revenues raised pursuant to section 237D-2(f);

12 (2) Revenues directed to the fund by the chairperson from
13 site-based and other fees established by the
14 department; and

15 (3) Other moneys appropriated to the fund by the
16 legislature.

17 § -3 **Revenue bonds.** To the extent necessary, with the
18 approval of the governor and with the required legislative
19 authorization, the chairperson and the director of finance may
20 provide for the issuance of revenue bonds pursuant to part III
21 of chapter 39 to be paid for from revenues received pursuant to
22 section -2(c) and section 237D-2(f).

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1 § -4 Reimbursements. (a) The department may seek
2 reimbursement for fund expenditures related to climate crises.

3 (b) Damages for which recipients of funds are liable under
4 this chapter include, but are not limited to:

5 (1) All costs of response, containment, removal, and
6 treatment including, but not limited to, monitoring
7 and administration costs incurred as a result of
8 responding to the climate crisis;

9 (2) Provision of emergency drinking water supplies; and

10 (3) Injury to, destruction of or loss of, natural
11 resources, including, but not limited to the
12 reasonable costs of treating, restoring or replacing
13 water supplies; rehabilitating fish, wildlife,
14 habitat, and other natural resources; and reasonable
15 costs of assessing those losses.

16 (c) Any damages recovered under this section shall be in
17 addition to and shall not count against the recovery of any
18 other damages or other costs recovered pursuant to other laws.

19 (d) Moneys recovered from responsible parties under this
20 section shall be deposited into the fund, except for costs
21 necessary to reimburse the department of the attorney general
22 for any costs associated with recovery of those damages.

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1 § -5 **Technical advisory committee.** (a) The chairperson
2 shall appoint a technical advisory committee to advise the
3 department on strategies to prevent and respond to climate
4 crises.

5 (b) The technical advisory committee shall include, but
6 shall not be limited to:

- 7 (1) Experts in wildfire prevention and response;
8 (2) Experts in coral reef, forest, stream, and watershed
9 protection and restoration;
10 (3) Experts in the protection, restoration, and cultural
11 stewardship of native Hawaiian cultural sites;
12 (4) Experts in providing emergency drinking water and
13 other resources that can help minimize the impact of
14 climate crises on residents and visitors;
15 (5) Experts in climate change resilience, including
16 indigenous land and water stewardship practices;
17 (6) At least one representative from each county; and
18 (7) Other experts as identified by the chairperson.

19 (c) The technical advisory committee shall meet at least
20 twice each year to advise the chairperson regarding the
21 implementation of this chapter.

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1 (d) The chairperson shall appoint one of the members to
2 serve as chair of the technical advisory committee.

3 **§ -6 Report to the legislature.** The department shall
4 report to the legislature on the uses of the fund, progress in
5 implementing projects and other strategies to reduce the
6 likelihood and severity of climate crises, and other authorized
7 uses of the fund no later than twenty days prior to the
8 convening of the regular session of 2026 and every year
9 thereafter.

10 Beginning January 1, 2028, and each three years thereafter,
11 the governor shall provide for an audit to ensure that funds
12 were expended only for purposes authorized in this chapter. The
13 audit shall be transmitted to the fiscal committees of each
14 house of the legislature no later than twenty days prior to the
15 convening of the regular session of 2029 and every five years
16 thereafter.

17 SECTION 3. Section 237D-2, Hawaii Revised Statutes, is
18 amended to read as follows:

19 "**§237D-2 Imposition and rates.** (a) There is levied and
20 shall be assessed and collected each month a tax of:

21 (1) Five per cent for the period beginning on January 1,
22 1987, to June 30, 1994;

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1 (2) Six per cent for the period beginning on July 1, 1994,
2 to December 31, 1998;

3 (3) 7.25 per cent for the period beginning on January 1,
4 1999, to June 30, 2009;

5 (4) 8.25 per cent for the period beginning on July 1,
6 2009, to June 30, 2010; and

7 (5) 9.25 per cent for the period beginning on July 1,
8 2010, and thereafter;

9 on the gross rental or gross rental proceeds derived from
10 furnishing transient accommodations.

11 (b) Every transient accommodations broker, travel agency,
12 and tour packager who arranges transient accommodations at
13 noncommissioned negotiated contract rates and every operator or
14 other taxpayer who receives gross rental proceeds shall pay to
15 the State the tax imposed by [~~subsection~~] subsections (a) [~~7~~] and
16 (f), as provided in this chapter.

17 (c) There is levied and shall be assessed and collected
18 each month, on the occupant of a resort time share vacation
19 unit, a transient accommodations tax of:

20 (1) 7.25 per cent on the fair market rental value until
21 December 31, 2015;

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1 (2) 8.25 per cent on the fair market rental value for the
2 period beginning on January 1, 2016, to December 31,
3 2016; and

4 (3) 9.25 per cent on the fair market rental value for the
5 period beginning on January 1, 2017, and thereafter.

6 (d) Every plan manager shall be liable for and pay to the
7 State the transient accommodations tax imposed by subsection (c)
8 as provided in this chapter. Every resort time share vacation
9 plan shall be represented by a plan manager who shall be subject
10 to this chapter.

11 (e) Notwithstanding the tax rates established in
12 subsections (a) (5) and (c) (3), the tax rates levied, assessed,
13 and collected pursuant to subsections (a) and (c) shall be 10.25
14 per cent for the period beginning on January 1, 2018, to
15 December 31, 2030; provided that:

16 (1) The tax revenues levied, assessed, and collected
17 pursuant to this subsection that are in excess of the
18 revenues realized from the levy, assessment, and
19 collection of tax at the 9.25 per cent rate shall be
20 deposited quarterly into the mass transit special fund
21 established under section 248-2.7; and

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1 (2) If a court of competent jurisdiction determines that
2 the amount of county surcharge on state tax revenues
3 deducted and withheld by the State, pursuant to
4 section 248-2.6, violates statutory or constitutional
5 law and, as a result, awards moneys to a county with a
6 population greater than five hundred thousand, then an
7 amount equal to the monetary award shall be deducted
8 and withheld from the tax revenues deposited under
9 paragraph (1) into the mass transit special fund, and
10 those funds shall be a general fund realization of the
11 State.

12 The remaining tax revenues levied, assessed, and collected
13 at the 9.25 per cent tax rate pursuant to subsections (a) and
14 (c) shall be deposited into the general fund in accordance with
15 section 237D-6.5(b).

16 (f) In addition to the taxes imposed under subsections
17 (a), (c), and (e), there is levied and shall be assessed and
18 collected each month a tax of \$25 on each furnishing of a
19 transient accommodation, including transient accommodations
20 furnished for cash or charge, at no charge, on a complimentary
21 or gratuitous basis, for a nominal charge, or in exchange for
22 points, miles, or other amounts provided through a membership.

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1 loyalty, or rewards program which shall be deposited into the
2 climate health and environmental action special fund established
3 under chapter _____."

4 SECTION 4. Section 237D-3, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "This chapter shall not apply to:

- 7 (1) Health care facilities including all such facilities
8 enumerated in section 321-11(10);
- 9 (2) School dormitories of a public or private educational
10 institution providing education in grades kindergarten
11 through twelve, or of any institution of higher
12 education;
- 13 (3) Lodging provided by nonprofit corporations or
14 associations for religious, charitable, or educational
15 purposes; provided that this exemption shall apply
16 only to the activities of the religious, charitable,
17 or educational corporation or association as such and
18 not to any rental or gross rental the primary purpose
19 of which is to produce income even if the income is
20 used for or in furtherance of the exempt activities of
21 such religious, charitable, or educational corporation
22 or association;

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- 1 (4) Living accommodations for persons in the military on
2 permanent duty assignment to Hawaii, including the
3 furnishing of transient accommodations to those
4 military personnel who receive temporary lodging
5 allowances while seeking accommodations in Hawaii or
6 while awaiting reassignment to new duty stations
7 outside the State;
- 8 (5) Low-income renters receiving rental subsistence from
9 the state or federal governments and whose rental
10 periods are for durations shorter than sixty days;
- 11 (6) Operators of transient accommodations who furnish
12 accommodations to full-time students enrolled in an
13 institution offering post-secondary education. The
14 director of taxation shall determine what shall be
15 deemed acceptable proof of full-time enrollment. This
16 exemption shall also apply to operators who furnish
17 transient accommodations to students during summer
18 employment;
- 19 (7) Accommodations [~~furnished without charge such as, but~~
20 ~~not limited to, complimentary accommodations,~~
21 ~~accommodations]~~ furnished to contract personnel such
22 as physicians, golf or tennis professionals, swimming

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- 1 and dancing instructors, and other personnel to whom
2 no salary is paid or to employees who receive room and
3 board as part of their salary or compensation; [~~and~~]
4 (8) Accommodations furnished to foreign diplomats and
5 consular officials who are holding cards issued or
6 authorized by the United States Department of State
7 granting them an exemption from state taxes[~~;~~]; and
8 (9) Accommodations furnished at no charge, including
9 accommodations furnished on a complimentary or
10 gratuitous basis, for the purpose of providing
11 emergency housing to persons displaced as a result of
12 a state disaster, as declared by the governor pursuant
13 to sections 127A-14 or 209-2."

14 SECTION 5. Section 237D-6.5, Hawaii Revised Statutes, is
15 amended by amending subsection (b) to read as follows:

16 "(b) Except for the revenues collected pursuant to
17 section 237D-2(e) [~~7~~] and (f), revenues collected under this
18 chapter shall be distributed in the following priority, with the
19 excess revenues to be deposited into the general fund:

- 20 (1) \$1,500,000 shall be allocated to the Turtle Bay
21 conservation easement special fund beginning July 1,
22 2015, for the reimbursement to the state general fund

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1 of debt service on reimbursable general obligation
2 bonds, including ongoing expenses related to the
3 issuance of the bonds, the proceeds of which were used
4 to acquire the conservation easement and other real
5 property interests in Turtle Bay, Oahu, for the
6 protection, preservation, and enhancement of natural
7 resources important to the State, until the bonds are
8 fully amortized;

9 (2) \$11,000,000 shall be allocated to the convention
10 center enterprise special fund established under
11 section 201B-8;

12 (3) An allocation shall be deposited into the tourism
13 emergency special fund, established in section 201B-
14 10, in a manner sufficient to maintain a fund balance
15 of \$5,000,000 in the tourism emergency special fund;
16 and

17 (4) \$3,000,000 shall be allocated to the special land and
18 development fund established under section 171-19;
19 provided that the allocation shall be expended in
20 accordance with the Hawaii tourism authority strategic
21 plan for:

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- 1 (A) The protection, preservation, maintenance, and
2 enhancement of natural resources, including
3 beaches, important to the visitor industry;
4 (B) Planning, construction, and repair of facilities;
5 and
6 (C) Operation and maintenance costs of public lands,
7 including beaches, connected with enhancing the
8 visitor experience.

9 All transient accommodations taxes shall be paid into the
10 state treasury each month within ten days after collection and
11 shall be kept by the state director of finance in special
12 accounts for distribution as provided in this subsection.

13 As used in this subsection, "fiscal year" means the
14 twelve-month period beginning on July 1 of a calendar year and
15 ending on June 30 of the following calendar year."

16 SECTION 6. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$500,000 or so much
18 thereof as may be necessary for fiscal year 2024-2025 to be
19 deposited into the climate health and environmental action
20 special fund.

21 SECTION 7. There is appropriated out of the climate health
22 and environmental action special fund the sum of \$500,000 or so

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1 much thereof as may be necessary for fiscal year 2024-2025 for
2 the establishment of two full-time equivalent (2.0 FTE)
3 positions in the department of land and natural resources to
4 administer the climate health and environmental action special
5 fund.

6 The sum appropriated shall be expended by the department of
7 land and natural resources for the purposes of this Act.

8 SECTION 8. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 9. This Act shall take effect on January 1, 2025.

11

12

INTRODUCED BY: _____



13

BY REQUEST

JAN 22 2024

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Report Title:

DLNR; Climate Health and Environmental Action Special Fund

Description:

Establishes the Climate Health and Environmental Action Special Fund in the Department of Land and Natural Resources to minimize the impacts of, and respond to, climate crises funded by a \$25 tax on transient accommodations. Exempts certain housing used for emergencies during a state disaster from the Transient Accommodations Tax.

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

JUSTIFICATION SHEET

DEPARTMENT: Governor

TITLE: A BILL FOR AN ACT RELATING TO STATE FINANCES.

PURPOSE: To establish the Climate Health and Environmental Action Special Fund to prevent climate crises and more effectively respond to climate crises when they occur.

MEANS: Establish a new chapter, Climate Health and Environmental Action Special Fund; amend sections 237D-2, 237D-3, and 237D-6.5, Hawaii Revised Statutes (HRS); and appropriate general funds into and out of the Climate Health and Environmental Action Special Fund. Exempts certain housing used for emergencies during a state disaster from the Transient Accommodations Tax.

JUSTIFICATION: Hawaii's natural environment faces significant pressure from climate change and the heavy use on the environment from persons traveling to enjoy the State's natural resources. The detrimental effects of climate change and overuse of our State's resources place the State's natural and cultural resources in increasing peril and are a threat to lives, homes, visitor accommodations, fisheries, stability of other natural resources, and irreplaceable Hawaiian cultural landscapes enjoyed by residents and tourists.

The State currently does not have the needed resources to implement priority climate crisis prevention measures. Moreover, delays in federal reimbursements, when available, make it difficult to sustain response efforts when climate crises strike.

The State has a compelling and urgent need to increase funding to prevent climate crises and fully respond to crises when they occur. Establishing a special fund to

prevent climate crises will help minimize the impacts of, and more efficiently respond to, climate crises when they occur.

Impact on the public: A dedicate source of funding will ensure that the funds will be used for its intended purpose to prevent climate crises and more effectively respond to climate crises when they occur.

Impact on the department and other agencies:
None.

GENERAL FUND: \$500,000.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: LNR 101

OTHER AFFECTED
AGENCIES: Department of Land and Natural Resources;
Department of Budget and Finance, Department
of Taxation.

EFFECTIVE DATE: January 1, 2025.