

# S.B. NO. 3095

JAN 24 2024

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## 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[~~7~~]; 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:



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BY REQUEST

# S.B. NO. 3095

**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

**SB. NO. 3095**

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.