
A BILL FOR AN ACT

RELATING TO GREEN BONDS.

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

1 SECTION 1. The legislature finds that climate change is an
2 urgent matter of public concern. In 2021, Hawaii became the
3 first State to declare a climate emergency. That same year,
4 lawmakers passed Act 178, Session Laws of Hawaii 2021, which
5 directs the State's agencies to collaborate toward identifying
6 state facilities that are vulnerable to sea-level rise,
7 flooding, and natural hazards.

8 The legislature further finds that mitigating and adapting
9 to climate change will require additional public resources.
10 Some states, including California, have begun exploring the use
11 of green bonds as a means of financing projects and programs
12 related to the advancement of climate change, clean energy, and
13 conservation goals.

14 The legislature additionally finds that green bonds are
15 specifically designed to support sustainable and socially
16 responsible projects, including investments in renewable energy,
17 energy efficiency, clean transportation, waste management,



1 natural resource conservation, water system preservation, marine
2 ecosystem restoration, and green infrastructure.

3 The legislature also finds that the International Capital
4 Market Association has developed green bond principles, updated
5 as of June 2021, which promote integrity and transparency in the
6 development and deployment of green bond programs. The green
7 bond principles recommend a clear process and disclosure for
8 issuers, which investors, banks, underwriters, arrangers,
9 placement agents, and others may use to understand the
10 characteristics of any given green bond. The green bond
11 principles emphasize the required transparency, accuracy, and
12 integrity of the information that will be disclosed and reported
13 by issuers to stakeholders through core components and key
14 recommendations.

15 The purpose of this Act is to establish a green bonds
16 working group to develop recommendations for creating a green
17 bonds financing program for Hawaii.

18 SECTION 2. (a) There is established a green bonds working
19 group within the department of business, economic development,
20 and tourism for administrative purposes.

21 (b) The working group shall:



- 1 (1) Develop recommendations for a green bonds financing
2 program that assists in financing projects related to
3 climate change mitigation and adaptation,
4 environmental conservation, and sustainability;
- 5 (2) Evaluate opportunities for increasing investment in
6 projects related to climate change, conservation, and
7 sustainability through a green bonds financing
8 program, including through coordination between the
9 public and private sectors;
- 10 (3) Determine the types of projects and programs that may
11 qualify for funding through a green bonds financing
12 program, including eligibility criteria for receiving
13 funding;
- 14 (4) Collaborate with and gather information from other
15 stakeholders and agencies within and outside of the
16 State that are working to implement green bonds
17 financing programs;
- 18 (5) Perform an analysis of the International Capital
19 Market Association's "Green Bonds Principles:
20 Voluntary Process Guidelines for Issuing Green Bonds"



1 as it relates to the possible establishment of a green
2 bonds financing program for Hawaii; and

3 (6) Estimate the cost of creating a green bonds financing
4 program facilitated by the State.

5 (c) The working group shall consist of the following
6 members, or their respective designees:

7 (1) The director of business, economic development, and
8 tourism, who shall serve as chairperson of the working
9 group;

10 (2) The director of finance;

11 (3) The chairperson of the board of land and natural
12 resources;

13 (4) The executive director of the Hawaii green
14 infrastructure authority;

15 (5) The director of the office of planning and sustainable
16 development;

17 (6) A member from the senate, to be appointed by the
18 president of the senate; and

19 (7) A member from the house of representatives, to be
20 appointed by the speaker of the house of
21 representatives.



1 (d) The chairperson of the working group shall invite the
2 following individuals to participate as members of the working
3 group:

4 (1) A representative from a nonprofit, public interest
5 organization specializing in environmental
6 conservation;

7 (2) A representative from a nonprofit, public interest
8 organization specializing in climate change mitigation
9 and adaptation; and

10 (3) Other interested parties with experience that the
11 chairperson deems relevant to the purposes of the
12 working group.

13 (e) The members of the working group shall serve without
14 compensation but shall be reimbursed for expenses, including
15 travel expenses, necessary for the performance of their duties.

16 (f) The working group shall submit a report of its
17 findings and recommendations, including any proposed
18 legislation, to the legislature no later than twenty days prior
19 to the convening of the regular session of 2026.

20 (g) The working group shall cease to exist on June 30,
21 2026.



1 SECTION 3. This Act shall take effect on July 1, 3000.



Report Title:

DBEDT; Green Bonds Working Group; Green Bonds Financing Program

Description:

Establishes a Green Bonds Working Group within the Department of Business, Economic Development, and Tourism. Effective 07/01/3000. (HD1)

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