

JAN 17 2025

A BILL FOR AN ACT

RELATING TO ENVIRONMENTAL STEWARDSHIP FEES.

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

1 PART I

2 SECTION 1. The legislature finds that Hawaii's natural
3 resources, including reefs, oceans, forests, streams, estuaries,
4 shorelines, and beaches, provide irreplaceable and invaluable
5 benefits to visitors, residents, and the global community.

6 The Hawaii State Constitution makes clear that the State's
7 natural and cultural resources are subject to the public trust
8 and therefore must be managed and protected for the benefit of
9 present and future generations. The Hawaii State Constitution
10 further requires the State and its agencies to protect and
11 enforce Native Hawaiian rights, including traditional and
12 customary practices associated with, and dependent upon,
13 carefully managed and abundant natural resources.

14 The legislature further finds that Hawaii's natural
15 environment faces significant environmental pressure from the
16 heavy use it receives from persons traveling to enjoy the
17 State's natural resources. The current underinvestment in the



1 State's natural resources poses a significant liability to the
2 visitor industry; the stability of natural systems, including
3 food systems and water quality; and the ecosystems, services,
4 fisheries, economic resilience, and health and safety of the
5 State.

6 Hawaii residents currently contribute to the protection and
7 management of natural resources through taxes, environmental
8 care, subsistence, cultural practices, and the exercise of the
9 values and practices embodied in the Hawaii State Constitution.
10 However, with escalating visitor impacts and an increasing
11 global threat to the island ecosystems, there is an immediate
12 need for additional resources to protect, restore, sustain,
13 manage, and conserve natural resources. A regenerative tourism
14 fee has been suggested by the Hawaii tourism authority as a
15 potential means to obtain these critical resources.
16 Accordingly, the legislature finds that it is timely to ask
17 visitors who enjoy and reap benefits of Hawaii's natural
18 resources to further contribute to their protection, care, and
19 restoration.

20 The legislature believes that a license requirement for
21 visitors who enjoy Hawaii's public beaches, trails, parks, and



1 ecosystems could generate the necessary funding each year to
2 offset the adverse impacts of visitors and conserve Hawaii's
3 irreplaceable green infrastructure in perpetuity.

4 The legislature further finds that visitor impact fees,
5 which are also known as "green fees" or "environmental
6 protection fees", have been successfully implemented in many
7 visitor destinations throughout the world, including the
8 Galapagos Islands, New Zealand, and Palau. In these locations,
9 the fees have demonstrated compounding benefits for visitors,
10 residents, and natural landscapes and seascapes.

11 The legislature also believes that it is imperative to
12 raise additional revenues to offset visitor impacts and ensure
13 that a positive environmental legacy is left for future
14 generations. An environmental stewardship fee provides a
15 reasonable and appropriate way to generate these needed
16 revenues.

17 The legislature believes that establishing an environmental
18 stewardship fee in Hawaii would be a significant and effective
19 way to raise additional revenue to offset visitor impacts and
20 ensure a healthy environment for future generations.



1 "Nonprofit organization" means a private, nonprofit
2 organization that has been granted tax exempt status by the
3 Internal Revenue Service pursuant to section 501(c)(3) of the
4 Internal Revenue Code of 1986, as amended, and that has among
5 its charitable purposes the preservation, restoration,
6 management, or interpretation of natural or cultural resources
7 for scientific, historic, educational, recreational, scenic,
8 wildlife, or open-space purposes; the protection of the natural
9 environment or biological resources, or both; the preservation
10 or enhancement, or both, of wildlife; and the protection or
11 interpretation, or both, of Native Hawaiian cultural resources
12 and practices related thereto.

13 "Program" means the environmental stewardship fee program.

14 "Resident of Hawaii" means an individual who has:

15 (1) Filed or paid state income taxes for the previous tax
16 year; or

17 (2) Established domicile in the State, as evidenced by
18 documentation showing the individual's address,
19 including any of the following:

20 (A) A valid Hawaii driver's license;

21 (B) A valid Hawaii state identification card;



1 (C) A valid school identification card issued by a
2 school in the State; or

3 (D) Any other official document issued to the
4 individual within the last thirty days by a
5 government agency, financial institution,
6 insurance company, or utility company in the
7 State.

8 "Visitor" means a person in Hawaii who is not a resident of
9 Hawaii.

10 **§171-B Environmental stewardship fee program; license;**

11 **signs.** (a) There is established within the department the
12 environmental stewardship fee program. The purpose of the
13 program shall be to collect a fee from visitors through a
14 license and allocate that revenue to protect, restore, and
15 manage natural and cultural resources impacted by visitors.

16 (b) Beginning on a date established by the department by
17 rule pursuant to chapter 91, each visitor who is fifteen years
18 of age or older who visits a state park, beach, forest, hiking
19 trail, or other natural area on state land, as designated by the
20 department by rule pursuant to chapter 91, shall first pay an



1 environmental stewardship fee to obtain a license pursuant to
2 this part.

3 (c) The department shall place signs at state parks,
4 beaches, forests, trail heads, or other natural areas on state
5 land to inform visitors of the requirement to pay an
6 environmental stewardship fee and obtain a license pursuant to
7 this part.

8 **§171-C License; purchase.** (a) The department shall
9 establish convenient opportunities for visitors to pay an
10 environmental stewardship fee and be issued a license, including
11 through:

12 (1) A mobile application; and

13 (2) An internet website.

14 The department may authorize retail establishments and nonprofit
15 organizations to accept payment of an environmental stewardship
16 fee and issue a license.

17 (b) The amount of the environmental stewardship fee shall
18 be \$; provided that the chairperson may increase the
19 fee by rule pursuant to chapter 91 no more frequently than once
20 every five years.



1 (c) Each license shall be effective for one year from the
2 date of issuance.

3 **§171-D Penalties.** (a) A visitor who visits a state park,
4 beach, forest, hiking trail, or other natural area on state land
5 without first paying an environmental stewardship fee and
6 obtaining a license, in violation of section 171-B(b), shall be
7 liable for a civil fine not to exceed \$. The
8 assessment of penalties shall not begin until at least five
9 years after the effective date of this Act, to allow time for
10 effective implementation, public education, and enforcement.

11 (b) Any civil fine provided under this section may be
12 imposed by the circuit court or by the department after an
13 opportunity for a hearing pursuant to chapter 91. Imposition of
14 a civil fine shall not be a prerequisite to any civil fine or
15 injunctive relief ordered by the circuit court.

16 **§171-E Environmental stewardship fee special fund;**
17 **established.** (a) There is established within the state
18 treasury the environmental stewardship fee special fund, into
19 which shall be deposited:

20 (1) All revenue from environmental stewardship fees, less
21 any costs incurred in collecting those fees;



- 1 (2) All fines collected pursuant to section 171-D, less
- 2 any costs incurred in collecting those fines;
- 3 (3) Transient accommodations tax revenues allocated
- 4 pursuant to section 237D-6.5(b) (5);
- 5 (4) Appropriations made to the fund by the legislature;
- 6 and
- 7 (5) Grants and gifts made to the fund.

8 (b) The fund shall be administered and governed by the
9 department:

- 10 (1) With transparency and accountability; and
- 11 (2) In a manner that maximizes the effectiveness of the
- 12 program.

13 (c) The department shall allocate moneys in the fund to be
14 expended directly by state agencies for projects that help
15 offset adverse environmental impacts caused by visitors, ensure
16 that the State's natural resources are maintained for continued
17 use by licensees, or both. Examples of permissible projects
18 under this subsection include projects that directly restore,
19 enhance, and protect, in perpetuity, natural resources and the
20 State's unique and fragile ecological status, including projects
21 that:



- 1 (1) Protect, restore, or enhance terrestrial and marine
2 natural resources impacted by heavy usage of
3 licensees;
- 4 (2) Increase the resilience and adaptation of Hawaii's
5 natural resources with environmentally beneficial
6 strategies to reduce the adverse impacts of climate
7 change, including coastal erosion, sea level rise,
8 damage to reefs, ocean acidification, coral bleaching,
9 damage to land resources, and other impacts
10 exacerbated by licensees; or
- 11 (3) Remove and control invasive species and propagate and
12 plant native species in state-owned recreational areas
13 utilized by licensees.
- 14 (d) The department shall allocate moneys in the fund to be
15 expended directly by the department for administration of the
16 program, including the creation and implementation of an
17 environmental stewardship fee strategic plan that includes a
18 timetable indicating how the objectives and policies of this
19 part will be pursued and implemented.
- 20 (e) The department may allocate moneys to provide grants
21 to the counties and nonprofit organizations; provided that the



1 annual aggregate sum of grants to the counties and nonprofit
2 organizations each does not exceed fifty per cent of the annual
3 environmental stewardship fee revenue. In awarding grants, the
4 department shall prioritize projects that satisfy at least one
5 of the following:

6 (1) Develop nature-based solutions to environmental and
7 climate issues exacerbated by licensees;

8 (2) Provide significant protection, restoration, and
9 enhancement of Hawaii's natural resources in areas
10 impacted by licensees; or

11 (3) Increase the resilience of state-owned natural
12 resources impacted by licensees.

13 (f) The department may allocate moneys to provide
14 cost-matching funds for federal grants that satisfy any of the
15 following priorities:

16 (1) Develop nature-based solutions to environmental and
17 climate issues exacerbated by licensees;

18 (2) Provide significant protection, restoration, and
19 enhancement of Hawaii's natural resources in areas
20 impacted by licensees; or



1 (3) Increase the resilience of state-owned natural
2 resources impacted by licensees.

3 (g) The department may allocate moneys necessary for the
4 enforcement of this part, including any enforcement or legal
5 expenses incurred to enforce or collect penalties pursuant to
6 section 171-D.

7 (h) Moneys allocated from the fund shall be used for the
8 purposes described in this section; provided that these moneys
9 shall complement but shall not supplant other moneys regularly
10 appropriated for those purposes.

11 **§171-F Grants; qualifications and conditions.** (a) For
12 purposes of grants awarded pursuant to this part, any
13 organization requesting a grant shall:

14 (1) Be licensed and accredited, as applicable, under the
15 laws of the State;

16 (2) Have at least one year of experience with the project
17 or in the program area for which grant moneys are
18 requested; and

19 (3) Be qualified to engage in the program or activity to
20 be funded by the grant or employ or have under
21 contract persons who are qualified.



1 (b) Recipients of grants shall be subject to the following
2 conditions:

3 (1) Any county or nonprofit organization requesting a
4 grant shall submit its request together with all
5 information required by the department on an
6 application form prescribed by the department;

7 (2) The recipient of a grant shall not use public funds
8 for purposes of entertainment or perquisites;

9 (3) The recipient of a grant shall comply with applicable
10 federal, state, and county laws;

11 (4) The recipient of a grant shall comply with any other
12 requirements the department may prescribe;

13 (5) The recipient of a grant shall allow the department,
14 legislative bodies, and auditor full access to
15 records, reports, files, and other related documents
16 so that the program, management, and fiscal practices
17 of the grant recipient may be monitored and evaluated
18 to assure the proper and effective expenditure of
19 public funds;



1 (6) Each grant shall be monitored pursuant to rules or
2 policies established by the department to ensure
3 compliance with this part; and

4 (7) Any recipient of a grant under this section who
5 withholds or omits any material fact, deliberately
6 misrepresents facts to the department, or violates the
7 terms of the recipient's contract is in violation of
8 this section and, in addition to any other penalties
9 provided by law, shall be prohibited from applying for
10 a grant under this part for a period of five years
11 from the date of termination.

12 (c) The department shall use best efforts to provide grant
13 recipients with access to any state lands or natural resources
14 necessary to effectuate the project for which the grant is
15 awarded.

16 **§171-G Report to legislature.** (a) No later than twenty
17 days before the convening of the regular session of 2026 and
18 each year thereafter, the department shall submit a report to
19 the legislature.

20 (b) The report shall contain information on ways that the
21 fund restored, enhanced, and protected Hawaii's state-owned



1 natural resources and its unique and vulnerable ecosystem during
2 the previous fiscal year, as well as the benefits that have
3 accrued or will accrue from those expenditures for the benefit
4 of the State's natural resources.

5 (c) The department shall publish the reports on its
6 website.

7 **§171-H Rules.** The department may adopt rules pursuant to
8 chapter 91 necessary for the purposes of this part, including
9 any rules necessary to increase license fees and to ensure that
10 persons who purchase a license are aware that the license is
11 broader than an entrance fee to visit a specific state park,
12 forest, hiking trail, or other natural area on state land, which
13 is used explicitly for that park, forest, hiking trail, or other
14 natural area."

15 PART III

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

18 "(b) Except for the revenues collected pursuant to section
19 237D-2(e), revenues collected under this chapter shall be
20 distributed in the following priority, with the excess revenues
21 to be deposited into the general fund:



- 1 (1) \$1,500,000 shall be allocated to the Turtle Bay
2 conservation easement special fund beginning July 1,
3 2015, for the reimbursement to the state general fund
4 of debt service on reimbursable general obligation
5 bonds, including ongoing expenses related to the
6 issuance of the bonds, the proceeds of which were used
7 to acquire the conservation easement and other real
8 property interests in Turtle Bay, Oahu, for the
9 protection, preservation, and enhancement of natural
10 resources important to the State, until the bonds are
11 fully amortized;
- 12 (2) \$11,000,000 shall be allocated to the convention
13 center enterprise special fund established under
14 section 201B-8;
- 15 (3) An allocation shall be deposited into the tourism
16 emergency special fund, established in section 201B-
17 10, in a manner sufficient to maintain a fund balance
18 of \$5,000,000 in the tourism emergency special fund;
19 [and]
- 20 (4) \$3,000,000 shall be allocated to the special land and
21 development fund established under section 171-19;



1 provided that the allocation shall be expended in
2 accordance with the Hawaii tourism authority strategic
3 plan for:

4 (A) The protection, preservation, maintenance, and
5 enhancement of natural resources, including
6 beaches, important to the visitor industry;

7 (B) Planning, construction, and repair of facilities;
8 and

9 (C) Operation and maintenance costs of public lands,
10 including beaches, connected with enhancing the
11 visitor experience[-]; and

12 (5) \$ _____ shall be allocated to the environmental
13 stewardship fee special fund established under section
14 171-E.

15 All transient accommodations taxes shall be paid into the
16 state treasury each month within ten days after collection and
17 shall be kept by the state director of finance in special
18 accounts for distribution as provided in this subsection."

19 PART IV

20 SECTION 4. The department of land and natural resources
21 shall submit a report on the creation and implementation of a



1 environmental stewardship fee strategic plan and timetable
2 indicating how the objectives and policies of the environmental
3 stewardship fee program will be pursued and implemented,
4 including its findings, recommendations, and any proposed
5 legislation, to the legislature no later than December 1, 2025.

6 SECTION 5. There is appropriated out of the environmental
7 stewardship fee special fund established under section 171-E,
8 Hawaii Revised Statutes, the sum of \$ or so much
9 thereof as may be necessary for fiscal year 2025-2026 and the
10 same sum or so much thereof as may be necessary for fiscal year
11 2026-2027 for the environmental stewardship fee strategic plan
12 with a timetable indicating how the objectives and policies
13 established in part of chapter 171, Hawaii Revised Statutes,
14 will be pursued and implemented.

15 The sums appropriated shall be expended by the department
16 of land and natural resources for the purposes of this Act.

17 SECTION 6. The appropriation made by section 5 of this Act
18 shall not lapse at the end of the fiscal year for which the
19 appropriation is made; provided further that all moneys from the
20 appropriation unencumbered as of June 30, 2028, shall lapse as
21 of that date.



1 SECTION 7. There is appropriated out of the environmental
2 stewardship fee special fund established under section 171-E,
3 Hawaii Revised Statutes, the sum of \$ or so much
4 thereof as may be necessary for fiscal year 2025-2026 and the
5 same sum or so much thereof as may be necessary for fiscal year
6 2026-2027 for the following positions for the environmental
7 stewardship fee program:

- 8 (1) Two full-time equivalent (2.0 FTE) program
9 specialists;
- 10 (2) One full-time equivalent (1.0 FTE) office assistant;
- 11 (3) One full-time equivalent (1.0 FTE) clerk V; and
- 12 (4) One full-time equivalent (1.0 FTE) accountant.

13 The sums appropriated shall be expended by the department
14 of land and natural resources for the purposes of this Act.

15 PART V

16 SECTION 8. In codifying the new sections added by section
17 2 and referenced in sections 5, 7, and 11 of this Act, the
18 revisor of statutes shall substitute appropriate section numbers
19 for the letters used in designating the new sections in this
20 Act.



1 SECTION 9. This Act does not affect rights and duties that
2 matured, penalties that were incurred, and proceedings that were
3 begun before its effective date.

4 SECTION 10. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 11. This Act, including section 171-E, Hawaii
7 Revised Statutes, shall take effect on July 1, 2025; provided
8 that part II of this Act, except section 171-E, Hawaii Revised
9 Statutes, shall take effect on July 1, 2027.

10

INTRODUCED BY:

A handwritten signature in black ink, appearing to read "Mike Gabbard", is written over a horizontal line.

S.B. NO. 673

Report Title:

DLNR; Environmental Stewardship Fee Program; Environmental Stewardship Fee Special Fund; Report; Appropriation

Description:

Effective 7/1/2027, establishes the Environmental Stewardship Fee Program within the Department of Land and Natural Resources, through which the Department will collect a fee from visitors for a license to visit a state park, forest, hiking trail, or other state natural area. Establishes the Environmental Stewardship Fee Special Fund effective 7/1/2025. Allocates a certain amount of transient accommodations tax revenues to the special fund. Requires report to the Legislature on strategic plan and timetable for objectives and implementation of the environmental stewardship fee program. Appropriates funds for the environmental stewardship fee strategic plan and positions for the Environmental Stewardship Fee Program.

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

