

JAN 17 2025

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, which directs the State's agencies to
5 collaborate toward identifying state facilities that are
6 vulnerable to sea-level rise, flooding, and natural hazards.
7 The legislature additionally finds that mitigating and adapting
8 to climate change will require additional public resources.
9 Some states, including California, have begun exploring the use
10 of green bonds as a means of financing projects and programs
11 related to the advance of climate change mitigation and
12 adaption, clean energy, and conservation goals.

13 The legislature further finds that green bonds are
14 specifically designed to support sustainable and socially
15 responsible projects, including investments in renewable energy,
16 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 (ICMA) has developed green bond principles,
5 which promote integrity and transparency in the development and
6 deployment of green bond programs. According to the ICMA, "The
7 principles outline best practices when issuing bonds serving
8 social and/or environmental purposes through global guidelines
9 and recommendations that promote transparency and disclosure,
10 thereby underpinning the integrity of the market. The
11 principles also raise awareness of the importance of
12 environmental and social impact among financial market
13 participants, which ultimately aims to attract more capital to
14 support sustainable development".

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

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 program that
2 assists in financing projects related to climate
3 change mitigation and adaptation, environmental
4 conservation, and sustainability;
- 5 (2) Evaluate opportunities for increasing investment in
6 projects related to climate change mitigation,
7 conservation, and sustainability through a green bonds
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 initiative,
12 including eligibility criteria for funding;
- 13 (4) Collaborate with and gather information from other
14 stakeholders and agencies within and outside of the
15 State that are working to implement green bonds
16 programs;
- 17 (5) Conduct an analysis of the International Capital
18 Market Association's "Green Bonds Principles:
19 Voluntary Process Guidelines for Issuing Green Bonds"
20 as it relates to the possible establishment of a green
21 bonds program for the State; and



1 (6) Estimate the cost of creating a green bonds program
2 facilitated by the State.

3 (c) The working group shall consist of the following
4 members:

5 (1) The director of business, economic development, and
6 tourism or the director's designee, who shall serve as
7 chairperson;

8 (2) The director of budget and finance or the director's
9 designee;

10 (3) The chairperson of the board of land and natural
11 resources or the chairperson's designee;

12 (4) The director of the office of planning and sustainable
13 development or the director's designee;

14 (5) A member from the senate, to be appointed by the
15 senate president;

16 (6) A member from the house of representatives, to be
17 appointed by the speaker of the house of
18 representatives;

19 (7) A representative from a nonprofit public interest
20 organization specializing in environmental
21 conservation;



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

4 (9) Other interested parties with experience that the
5 chairperson deems relevant to the purposes of the
6 working group who the chairperson may invite.

7 (d) The members of the working group shall serve without
8 compensation but shall be reimbursed for expenses, including
9 travel expenses, necessary for the performance of their duties.

10 (e) No member of the working group shall be subject to
11 chapter 84, Hawaii Revised Statutes, solely because of the
12 member's participation in the working group.

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

17 (g) The working group shall dissolve on June 30, 2026.

18 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY:





S.B. NO. 941

Report Title:

DBEDT; Green Bonds Working Group

Description:

Establishes a Green Bonds Working Group within the Department of Business, Economic Development and Tourism, to determine the feasibility of a green bond financing program for the State.

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