

Honolulu, Hawaii

FEB 11 2025

RE: S.B. No. 1395
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 1395 entitled:

"A BILL FOR AN ACT RELATING TO STATE FUNDS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the Climate Mitigation and Resiliency Special Fund (Special Fund) to address the impacts and mitigate further impacts of climate change on the State;
- (2) Allocate the interest earned on balances within the Emergency and Budget Reserve Fund to the Special Fund;
- (3) Allocate a portion of the revenues from the Transient Accommodations Tax to the Special Fund; and
- (4) Appropriate \$60,000,000 out of the Special Fund to advance projects that address climate change impacts.

Your Committee received testimony in support of this measure from the Office of the Governor, Department of Land and Natural Resources, Hawaii Green Infrastructure Authority, Office of Planning and Sustainable Development, Hawaii State Energy Office, Hawai'i Emergency Management Agency, Hawai'i Climate Change, Mitigation and Adaptation Commission, Hawai'i Climate Advisory



Team; Hawai'i Farmers Union United, Climate Protectors Hawai'i, Coalition Earth, Hawai'i Food+ Policy, Care for 'Āina Now Coalition, and two individuals.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the State is particularly susceptible to the effects of climate change and that these effects will continue to become more prominent as time progresses. Your Committee notes that allocating the interest earned on various state funds for climate resilience projects would provide a needed funding source to address the costs of climate change while placing no incremental burden on Hawaii residents. This measure establishes the Climate Mitigation and Resiliency Special Fund (Special Fund) to advance projects that address the impacts of climate change on the State and funds the Special Fund, in part, with the interest earned from the Emergency and Budget Reserve Fund.

Your Committee also notes that although one of the funding sources of the Special Fund established by this measure includes a portion of the revenues from the Transient Accommodations Tax, there is no conforming language regarding this allocation. An amendment to this measure is therefore necessary to address this oversight.

Accordingly, your Committee has amended this measure by:

- (1) Inserting conforming language that allocates an unspecified portion of the revenues from the Transient Accommodation Tax to the Special Fund;
- (2) Changing the appropriation to an unspecified amount;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that this measure, as amended, contains an unspecified appropriation amount. Should your Committee on



Ways and Means choose to deliberate on this measure, your Committee respectfully requests that it consider inserting an appropriation amount of \$60,000,000 to advance projects addressing climate change impacts.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1395, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1395, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Agriculture and
Environment,



MIKE GABBARD, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:* SB 1395	Committee Referral: AEN, WAM	Date: 2/3/25
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The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	X			
RICHARDS, III, Herbert M. "Tim" (VC)	X			
DECOITE, Lynn				X
RHOADS, Karl	X			
AWA, Brenton			X	
TOTAL	3	0	1	1

Recommendation:
 Adopted
 Not Adopted

Chair's or Designee's Signature:


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***Only one measure per Record of Votes**