

---

# A BILL FOR AN ACT

RELATING TO A SUSTAINABLE TOURISM INFRASTRUCTURE.

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

1 SECTION 1. The legislature finds that the State's visitor  
2 industry constitutes essential economic infrastructure that  
3 supports statewide employment, tax revenues, and public  
4 services, while also relying heavily on energy, water,  
5 transportation, and coastal assets that are increasingly  
6 vulnerable to climate-related risks.

7 The legislature further finds that strategic, capital-based  
8 sustainability and climate resilience investments in visitor  
9 industry facilities, particularly in hotels, cruise ship  
10 operations, passenger terminals, and port-related  
11 infrastructure, can reduce greenhouse gas emissions, improve  
12 energy and water efficiency, mitigate climate risks, and reduce  
13 long-term public infrastructure and disaster recovery costs  
14 borne by the State.

15 Additionally, the legislature finds that in 2025, the State  
16 enacted a 0.75 percentage point increase to the transient  
17 accommodations tax, commonly referred to as the green fee, to



1 create a dedicated funding source to support climate resilience,  
2 environmental protection, and sustainability initiatives related  
3 to the visitor industry. According to the office of the  
4 governor, the increased transient accommodations is projected to  
5 generate approximately \$100,000,000 in tax revenues annually.

6 Furthermore, the legislature finds that leveraging limited  
7 public funds to support voluntary, outcome-driven, private-  
8 sector investments through competitive, matching grants can  
9 achieve measurable environmental and economic benefits without  
10 imposing new regulatory mandates or creating ongoing financial  
11 obligations for the State.

12 Accordingly, the purpose of this Act is to establish within  
13 the department of business, economic development, and tourism a  
14 matching grant program to support voluntary sustainability and  
15 climate resilience investments in visitor industry  
16 infrastructure, maximize the return on public investment, and  
17 ensure transparency and accountability in the use of public  
18 funds.

19 SECTION 2. Chapter 201, Hawaii Revised Statutes, is  
20 amended by adding a new section to be appropriately designated  
21 and to read as follows:



1        "\$201- Sustainable tourism infrastructure matching

2        grant program. (a) There is established within the department

3        a sustainable tourism infrastructure matching grant program to

4        support one-time capital investments by eligible applicants in

5        tourism infrastructure that advance measurable sustainability

6        and climate resilience outcomes within the State's visitor

7        industry.

8        (b) Grants awarded under this section shall be used

9        exclusively for one-time capital expenditures that produce

10        measurable sustainability or climate resilience outcomes,

11        including but not limited to:

12        (1) Energy efficiency retrofits or electrification;

13        (2) Renewable energy or emissions-reduction

14        infrastructure;

15        (3) Water efficiency, conservation, or reuse systems;

16        (4) Waste reduction or materials management

17        infrastructure;

18        (5) Climate adaptation or resilience improvements,

19        including flood mitigation; and

20        (6) Passenger terminal or port facility improvements that

21        reduce environmental impacts.



1        (c) No funds awarded under this section shall be used for  
2        ongoing operating expenses, routine maintenance, or any other  
3        activities required by law.

4        (d) No grant shall be awarded under this section unless  
5        matched by private funds, in an amount to be determined by the  
6        department, to ensure shared investment, fiscal discipline, and  
7        leverage of state funds.

8        (e) In awarding grants, the department shall prioritize  
9        projects that:

- 10        (1) Are implementation-ready;
- 11        (2) Demonstrate clear, measurable sustainability or  
12        climate resilience outcomes;
- 13        (3) Leverage significant private capital;
- 14        (4) Reduce long-term infrastructure risk or public cost  
15        exposure; and
- 16        (5) Align with statewide climate and economic resilience  
17        goals.

18        (f) The department shall submit a report of its findings  
19        and recommendations, including any proposed legislation, to the  
20        legislature no later than twenty days prior to the convening of



1    each regular session, beginning with the regular session of  
2    2027. The report shall include, at a minimum:

3        (1) The number and amount of grants awarded;  
4        (2) Types and locations of projects funded;  
5        (3) Amount of private matching funds leveraged;  
6        (4) Quantifiable sustainability or climate outcomes  
7        achieved; and  
8        (5) An assessment of program effectiveness relative to  
9        stated goals.

10      (g) The department may adopt rules pursuant to chapter 91  
11      to carry out the purposes of this section.

12      (h) For the purposes of this section, "eligible  
13      applicants" includes but is not limited to:

14        (1) Hotels, resorts, and other properties furnishing  
15        transient accommodations;  
16        (2) Cruise ship operators;  
17        (3) Passenger terminal operators;  
18        (4) Port or harbor facilities that directly support  
19        visitor transportation; and



4 SECTION 3. There is appropriated out of the general  
5 revenues of the State of Hawaii the sum of \$ or so  
6 much thereof as may be necessary for fiscal year 2026-2027 for  
7 the sustainable tourism infrastructure matching grant program  
8 established under section 2 of this Act.

9           The sum appropriated shall be expended by the department of  
10          business, economic development, and tourism for the purposes of  
11          this Act.

**12** SECTION 4. New statutory material is underscored.

**13** SECTION 5. This Act shall take effect on July 1, 3000.



**Report Title:**

DBEDT; Travel; Tourism; Sustainable Infrastructure; Climate Resilience; Matching Grant Program; Reports; Appropriation

**Description:**

Establishes the sustainable tourism infrastructure matching grant program within the Department of Business, Economic Development, and Tourism to support one-time capital investments that advance measurable sustainability and climate resilience outcomes within the State's visitor industry. Requires annual reports to the Legislature. Appropriates funds. Effective 7/1/3000. (HD1)

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

