
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



1 (5) Other visitor-serving facilities, as determined by the
2 department, that demonstrate a clear nexus to
3 sustainability or climate resilience outcomes."

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)

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