

STAND. COM. REP. NO. 726-26

Honolulu, Hawaii

FEB 20, 2026

RE: H.B. No. 2618
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committees on Energy & Environmental Protection and
Tourism, to which was referred H.B. No. 2618 entitled:

"A BILL FOR AN ACT RELATING TO THE ENVIRONMENT,"

beg leave to report as follows:

The purpose of this measure is to require the Governor to request, through a bill separate from the budget or supplemental budget, an amount of general funds that approximates "green fee" revenues, which are the additional revenues generated by an increase to the transient accommodations tax rate and an assessment of the transient accommodations tax on gross rental proceeds derived from cruise fares, enacted by Act 96, Session Laws of Hawaii 2025, for certain climate change and tourism destination management projects.

Your Committees received testimony in support of this measure from the Hawai'i Climate Change Mitigation and Adaptation Commission; Hawaii Reef and Ocean Coalition; Climate Protectors Hawaii; Care for 'Āina Now Coalition; and one individual.

Your Committees find that the "green fee" was enacted to generate additional revenues to address environmental and tourism-related impacts on Hawaii's natural resources. Your Committees further find that ensuring these revenues are directed to climate resilience, natural resource protection, and

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destination-management projects will strengthen accountability and support the long-term stewardship of the State's environment. While this measure was originally intended to clarify the process that the Governor uses to make expenditure requests of green fee revenues, your Committees believe that further specification regarding how such funding is used is necessary. Specifically, your Committees find that various special funds should be established to accomplish certain environmental objectives and that portions of green fee revenues should support the special funds and their respective objectives.

Accordingly, your Committees have amended this measure by:

- (1) Inserting a preamble;
- (2) Establishing the Green Fee Special Fund; Watershed, Biodiversity, and Fire Resilience Special Fund; Aquatic Resources Conservation Special Fund; Cesspool Conversion Revolving Loan Fund; and Coastal Restoration Special Fund, with each to receive an allocation of green fee revenues;
- (3) Requiring the Governor to request an amount that approximates green fee revenues, less the amounts allocated to the various funds described in paragraph (2), to be expended for certain climate change and tourism destination management projects, rather than an amount out of general funds;
- (4) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committees respectfully request your Committee on Finance, should it deliberate on this measure, to consider the following amounts to be allocated from green fee revenues:

- (1) \$25,000,000 to the Watershed, Biodiversity, and Fire Resilience Special Fund;
- (2) \$15,000,000 to the Aquatic Resources Conservation Special Fund; and



- (3) \$1,500,000 to the Cesspool Conversion Revolving Loan Fund.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2618, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2618, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Energy &
Environmental Protection and
Tourism,



ADRIAN K. TAM, Chair



NICOLE E. LOWEN, Chair



