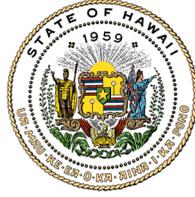


JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA
P.O. BOX 621
HONOLULU, HAWAII 96809

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LAND
STATE PARKS

**Testimony of
RYAN K.P. KANAKA'OLE
Acting Chairperson**

**Before the House Committee on
FINANCE**

**Monday, March 2, 2026
10:00 AM
State Capitol, Conference Room 308**

**In consideration of
HOUSE BILL 2618, HOUSE DRAFT 1
RELATING TO THE ENVIRONMENT**

House Bill 2618, House Draft 1 would establish a Green Fee Special Fund to receive an allocation of green fee revenues; establish various special funds, including a Watershed, Biodiversity, and Fire Resilience Special Fund and an Aquatic Resources Conservation Special Fund, to receive allocations of green fee revenues; and require the Governor to request, through a bill separate from the budget or supplemental budget, an amount that approximates green fee revenues subtracted from the amounts allocated to the various funds to be expended for certain climate change and tourism destination management projects. **The Department of Land and Natural Resources (Department) supports this measure and offers the following comments.**

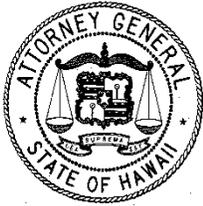
Act 96, Session Laws of Hawai'i 2025, established a climate impact fee, or "green fee," by increasing the transient accommodations tax (TAT) to fund specific projects to: 1) protect, manage, and restore the State's natural resources; 2) increase climate resilience and hazard mitigation; and 3) support destination management and sustainable tourism. Pursuant to Act 96, green fee revenues are deposited into the State's General Fund, and the Governor is required to request those revenues in the executive budget or supplemental budget for projects aligned with the three abovementioned green fee purposes.

House Bill 2618, House Draft 1 seeks to create dedicated special funds for specific green fee uses to ensure that green fee revenues are allocated in a transparent, predictable, and mission-aligned manner. Notably, the bill would create a Green Fee Special Fund; Watershed, Biodiversity, and Fire Resilience Special Fund; and Aquatic Resources Conservation Special Fund to be administered by the Department. These proposed special funds would offer the Department increased flexibility to respond promptly to time-sensitive threats, which is appropriate given the unforeseeable situations the Department must address. The current

budgetary process requires the Department to identify specific projects and associated funding amounts almost a year in advance. Special funds that provide the Department the flexibility to address a range of natural resources issues will enable timely response to evolving priorities, such as an unusually severe wildfire season or the emergence of a new invasive species.

The Department offers one technical amendment: the proposed Aquatic Resources Conservation Special Fund should not be subject to a 20 percent restriction, as it would be funded by the TAT, not ceded land revenues.

Mahalo for the opportunity to testify in support of this measure.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2026**

ON THE FOLLOWING MEASURE:

H.B. NO. 2618, H.D. 1, RELATING TO THE ENVIRONMENT.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Monday, March 2, 2026

TIME: 10:00 a.m.

LOCATION: State Capitol, Room 308

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Ian Robertson, Deputy Attorney General

Chair Todd and Members of the Committee:

The Department of the Attorney General provides the following comments.

The purposes of this bill are to: (1) establish the green fee special fund; (2) establish the watershed, biodiversity, and fire resilience special fund; (3) establish the aquatic resources conservation special fund; (4) establish the cesspool conversion revolving loan fund; (5) establish the coastal restoration special fund; (6) to require that the Governor request in a bill separate from the budget or supplemental budget an amount to be expended on environmental projects that approximates the amount of the additional revenue generated by any increase to the transient accommodations tax rates pursuant to sections 237D-2(a)(6) and (c)(4) and 237D-2(e), Hawaii Revised Statutes (HRS); and (7) to amend section 237-6.5, HRS, to require that amounts from revenue collected under chapter 237D, HRS, be allocated to the new funds created by the bill.

The purpose of this bill as introduced was to require that the Governor request in a bill separate from the budget or supplemental budget an amount to be expended on environmental projects that approximates the amount of the additional revenue generated by any increase to the transient accommodations tax rates pursuant to sections 237D-2(a)(6) and (c)(4) and 237D-2(e), HRS.

House Draft 1 expanded the scope of the bill as follows: in **section 1**, creating a preamble that on page 2, lines 8 to 11, describes the establishment of new funds; in **sections 2 to 6**, by providing for the establishment of five new funds; in **section 7**, on page 16, lines 6 to 8, by inserting new wording describing allocation of revenue into the

five new funds; in **section 8**, by amending section 237D-6.5, HRS, to allocate revenue generated under chapter 237D-6.5, HRS, to the five new funds.

The above-described amendments in sections 1 to 8 of House Draft 1 do not appear to be related to the original purpose of the bill. We believe that those amendments in House Draft 1 may subject the bill to challenge under *League of Women Voters of Honolulu v. State*, 150 Hawai'i 182, 205, 499 P.3d 382, 405 (2021), in which the Hawai'i Supreme Court held that the constitutional requirements that a bill must pass three readings in each house "begin[s] anew after a non-germane amendment changes the object or subject of a bill so that it is no longer related to the original bill as introduced." We believe a court could conclude that these amendments made in House Draft 1 are outside the scope of the purpose of the original bill and that it will violate article III, section 15, of the Hawai'i Constitution if it does not receive three additional readings in the House of Representatives.

To stay within the scope of the bill as originally drafted, we suggest that the Committee amend this bill by reverting to the wording of the bill as introduced, or by ensuring it gets the requisite number of readings in the House of Representatives.

Additionally, we note that page 19, lines 10 to 17, of House Draft 1 would add a new paragraph (9) to section 237D-6.5(b), HRS. Under this paragraph (9) the amount allocated to the green fee special fund in section 237D-6.5(b)(9) would be calculated by subtracting the tax revenues from section 237D-2(e) by the amounts allocated in section 237D-6.5(b)(5)-(8) and then subtracting the revenues from collecting the tax at the ten percent rate. This likely conflicts with the existing wording of section 237D-6.5(b), which states: "Except for the revenues collected pursuant to section 237D-2(e), revenues collected under this chapter shall be distributed in the following priority, with the excess revenues to be deposited into the general fund"

If the Committee is inclined to pass this bill with the amendments made in House Draft 1, we respectfully suggest that to resolve this conflict with section 237D-2(e) and for consistency with the rest of the proposed amendments to 237D-6.5(b), HRS, in House Draft 1, that the wording on page 19, lines 10 to 17, be amended to read:

"(9) \$_____ shall be allocated to the green fee special fund established pursuant to section -2."

We respectfully ask the Committee to consider our comments.



Testimony of
Gwen Yamamoto Lau
Executive Director
Hawai'i Green Infrastructure Authority
before the
HOUSE COMMITTEE ON FINANCE
Monday, March 2, 2026, 10:00 AM
State Capitol, Conference Room 308
in consideration of
House Bill No. 2618, HD1
RELATING TO THE ENVIRONMENT

Chair Todd, Vice Chair Takenouchi and Members of the Committee:

Thank you for the opportunity to testify on HB2618, HD1 relating to the environment. The Hawai'i Green Infrastructure Authority (HGIA) **supports** this bill, which establishes a green fee special fund to receive an allocation of green fee revenues and establishes various funds to receive allocations of green fee revenue, including the Cesspool Conversion Revolving Fund.

The negative impacts of some 52 million or so gallons of untreated sewage seeping into our oceans, streams and groundwater on a daily basis, is already being experienced and documented. An Arizona State University study released in 2025¹ identifies exactly where sewage-contaminated water is entering the ocean. Wastewater Alternatives & Innovations' SeaSick Program recently launched a reporting tool to collect information on where our locals and tourists are getting sick from contaminated water in Hawaii.



SeaSick Community Reports

In fact, over the past month, two of HGIA's team members called in sick with stomach related ailments after swimming at two different Oahu beaches.

HGIA respectfully requests that language be added to include the hiring of one full-time equivalent (1.0 FTE) program management position to implement and administer the cesspool conversion revolving fund.

Thank for you this opportunity to provide comments and testify in support of HB2618, HD1.

¹ [Sewage contamination locations threatening west Hawai'i coral reefs | ASU News](#)



Care for 'Āina Now Coalition

March 2, 2026

Hawai'i State Legislature
House Committee on Finance

Re: Testimony in **Support** of HB2618, HD1, Relating to the Environment

Aloha Chair Todd, Vice Chair Takenouchi, and esteemed members of the Finance Committee,

On behalf of our coalition's leadership committee, we are writing in **support** of HB 2618, HD1, relating to the environment. This measure advances transparency and accountability in how public revenues connected to environmental protection and visitor management are requested and appropriated, helping ensure that lawmakers and the public can clearly track proposed investments in these critical priorities.

Recent efforts to dedicate funding toward conservation, climate resilience, and responsible tourism represent a significant step forward for Hawai'i's long-term environmental stewardship. These resources are intended to safeguard natural and cultural assets, strengthen communities in the face of climate impacts, and improve visitor experiences—while also helping to close longstanding gaps in conservation funding across the state. For such an ambitious approach to succeed over time, residents must be able to see clearly how funds are proposed, evaluated, and directed toward projects that provide real and measurable benefits for local communities.

HB 2618, HD1, helps reinforce that confidence by promoting a more transparent budgeting process and clearer alignment between revenues collected and investments proposed for environmental and destination management purposes. Our coalition believes that openness in fiscal decision-making strengthens public trust, supports effective legislative oversight, and improves the long-term success of conservation and resilience initiatives statewide.

For these reasons, we respectfully urge the committees to support HB 2618, HD1.

Mahalo for the opportunity to provide testimony.

Care for 'Āina Now Coalition Leadership Committee

**Testimony of The Nature Conservancy
Supporting HB2618 HD1, Relating to the Environment
Committee on Finance
March 2, 2026 at 10:00 am
Conference Room 308 and via Videoconference**

Dear Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

Mahalo for the opportunity to testify today. The Nature Conservancy (TNC) Hawai'i and Palmyra supports HB2618 HD1, which establishes a Green Fee Special Fund to receive an allocation of green fee revenues, establishes various special funds to receive allocations of green fee revenues, and requires the Governor to request, through a bill separate from the budget or supplemental budget, an amount that approximates green fee revenues subtracted from the amounts allocated to the various funds to be expended for certain climate change and tourism destination management projects.

Hawai'i faces surmounting environmental challenges like wildfires, disappearing coastlines, bleached coral reefs, and an underinvestment in the management of these natural and cultural resources. As an island region, our community safety faces growing risk the longer we go without significant funding toward environmental protection and restoration. Hawai'i is in immediate need of additional resources to conserve and protect our ecosystems, native species, coastlines, and the community livelihoods that depend on these resources.

The passage of Act 96 affirmed that environmental stewardship and economic development are inseparable in Hawai'i. Act 96 increased TAT rates and extended taxation to cruise ships, explicitly directing that the resulting revenue be invested equally across natural resource protection, climate resilience, and tourism impact mitigation. HB2618 HD1 clarifies how Green Fee revenues are allocated and managed by establishing several dedicated special funds and requiring that the remaining revenues be requested through a stand-alone bill each year, ensuring transparency, accountability, and legislative oversight in how these investments move forward.

As discussions continue regarding the most effective way to administer this funding, the overarching intent of HB2618 HD1 helps ensure that Hawai'i continues investing steadily in mālama 'āina. Mahalo for the opportunity to testify in support of HB2618 HD1.

Guided by science, TNC is a non-profit organization dedicated to the preservation of the lands and waters upon which all life depends. The Conservancy has helped protect more than 200,000 acres of natural lands in Hawai'i and Palmyra Atoll. We manage 84,000 acres in 13 nature preserves and 18 managed areas and have supported over 50 coastal communities to help protect and restore the nearshore reefs and fisheries of the main Hawaiian Islands.

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Testimony Before The
House Committee on Finance (FIN)
IN SUPPORT OF HB2618 HD1
March 2 , 2026, 10:00 a.m. Room 308 via Videoconference

We are Olan Leimomi Fisher and Kevin Chang, Kua'āina Advocate and Executive Director, respectively, testifying on behalf of [Kua'āina Ulu 'Auamo \(or KUA\)](#). "Kua'āina Ulu 'Auamo" stands for "grassroots growing through shared responsibility," and our acronym "KUA" means "backbone." **Our mission is to connect and empower communities to improve their quality of life through the collective care for their biocultural (natural and cultural) heritage, serving as a "backbone organization" that supports creative and community-driven solutions to problems stemming from environmental degradation.** Hawai'i's biocultural resources continue to be negatively impacted by political, economic, and social changes, and the increasing dangers of climate change make fostering and empowering resilient communities acutely critical.

Currently KUA supports three major networks of: (1) over 40 mālama 'āina (caring for our 'āina or "that which feeds") community groups collectively referred to as E Alu Pū (moving forward together); (2) over 60 loko i'a (fishpond aquaculture systems unique to Hawai'i) and wai 'ōpae (anchialine pool systems) sites in varying stages of restoration and development, with numerous caretakers, stakeholders, and volunteers known as the Hui Mālama Loko I'a ("caretakers of fishponds"); and (3) the Limu Hui made up of over 50 loea (traditional experts) and practitioners in all things "limu" or locally-grown "seaweed." **Our shared vision is to once again experience what our kūpuna (ancestors) referred to as 'ĀINA MOMONA – abundant and healthy ecological systems that sustain our community resilience and well-being.**

KUA strongly supports HB2618 HD1 as an incremental step towards 'āina momona.

This bill would establish a Green Fee Special Fund and various special funds to allocate green fee revenues, ensuring transparency and accountability for how the funds are spent.

KUA supported the passage of Act 96 (2025), and is grateful for the opportunity that this new funding source will provide to mālama 'āina efforts across Hawai'i. The new green fee represents a significant and promising investment in Hawai'i's future, helping us close the estimated \$560 million annual conservation funding gap. However, to ensure success, it is essential that this new funding maintain accountability and transparency from the very start. This dashboard would also allow for easier reporting, evaluation, and justified improvements as the fee structure matures.

We also acknowledge and hope to amplify the many supporters calling for a portion of these funds to support the various existing and forthcoming community mālama 'āina groups through a community stewardship grant program in partnership with DLNR. The state cannot carry the kuleana of its public trust responsibilities, collaborative mālama 'āina is the future of conservation and is growing both in Hawai'i and worldwide.

The communities we work with are committed to ensuring the long-term health of our biocultural resources that they have cared for and depended on for generations since time immemorial. **We believe protecting our environment, the foundation of our very existence, is about sustained and long-term commitments toward achieving ‘āina momona abundance once again.** To get there requires continued accountability, transparency, and genuine investments in collaborative mālama ‘āina efforts, including through this bill. Our decisions today will continue to shape the future that our keiki’s keiki’s keiki will one day inherit – we hope for a future of shared and harmonious abundance, and hope you do, too.

Mahalo nui loa for this opportunity to submit testimony. Please **PASS** HB2618 HD1.

Aloha ‘Āina Momona no nā kau ā kau.

HB-2618-HD-1

Submitted on: 3/1/2026 10:45:11 AM

Testimony for FIN on 3/2/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ted Bohlen	Hawai'i Reef and Ocean Coalition and Climate Protectors Hawai'i	Support	Written Testimony Only

Comments:

STRONG SUPPORT for green fee funding as provided in this bill and recommended by the Energy and Environment Committee, including:

\$25 million for the Watershed, Biodiversity, and Fire Resilience Special Fund,

\$15 million for the Aquatic Resources Conservation Special Fund, and

\$1.5 million for the Cesspool Conversion Revolving Loan Fund

Mahalo!

HB-2618-HD-1

Submitted on: 2/28/2026 1:08:59 PM

Testimony for FIN on 3/2/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Douglas Perrine	Individual	Support	Written Testimony Only

Comments:

I support HB 2618.