



Testimony of

**Gwen Yamamoto Lau**

Executive Director

**Hawai'i Green Infrastructure Authority**

before the

**SENATE COMMITTEES ON ECONOMIC DEVELOPMENT & TOURISM,  
WATER, LAND, CULTURE & ARTS, AND AGRICULTURE & ENVIRONMENT**

Friday, March 20, 2026, 1:02 PM

State Capitol, Conference Room 224

in consideration of

**House Bill No. 2618, HD1**

**RELATING TO THE ENVIRONMENT**

Chairs DeCoite, Lee and Gabbard, Vice Chairs Wakai, Richards and Inouye, and Members of the Committees:

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 2025<sup>1</sup> 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

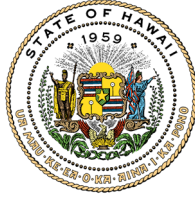
In fact, over the past month, two of HGIA's team members called in sick with stomach related ailments after swimming at two different Oahu beaches.

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

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

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

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STATE PARKS

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

Before the Senate Committees on  
WATER, LAND, CULTURE AND THE ARTS,  
AGRICULTURE AND ENVIRONMENT,  
and  
ECONOMIC DEVELOPMENT AND TOURISM

Friday, March 20, 2026  
1:02 PM

State Capitol, Conference Room 224

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.**

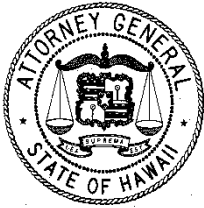
Act 96, Session Laws of Hawai'i 2025, established a climate impact fee, or "green fee," by increasing the transient accommodations tax (TAT) to fund specific projects to: 1) protect, manage, and restore the State's natural resources; 2) increase climate resilience and hazard mitigation; and 3) support 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**

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**ON THE FOLLOWING MEASURE:**

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

**BEFORE THE:**

SENATE COMMITTEES ON ECONOMIC DEVELOPMENT AND TOURISM AND ON WATER, LAND, CULTURE AND THE ARTS AND ON AGRICULTURE AND ENVIRONMENT

**DATE:** Friday, March 20, 2026

**TIME:** 1:02 p.m.

**LOCATION:** State Capitol, Room 224

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

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Chairs DeCoite, Lee, and Gabbard and Members of the Committees:

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) 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 section 237D-2(a)(6), (c)(4), and (e), Hawaii Revised Statutes (HRS); and (7) amend section 237-6.5, HRS, to require that amounts from revenue collected under chapter 237D, HRS, be allocated to the new funds established 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 section 237D-2(a)(6), (c)(4), and (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 section 237D-6.5 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 requirement 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. If the bill passes the Senate and crosses back to the House of Representatives in its current form, it is possible that the bill may violate article III, section 15, of the Hawai'i Constitution if the House of Representatives does not ensure that the bill receives three readings in its current form.

If the Committee wishes to amend House Draft 1 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.

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, 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."

As a stylistic matter, section 237D-6.5(b)(5) to (8) as amended by section 8 of the bill should have the word "section" inserted before the section numbers referred to on page 18, line 21, and on page 19, lines 3, 6, and 9.

Section 10 of this bill specifies a January 1, 2027, effective date for section 9 of this bill, but the reference to section 9 appears to be a typographical error, because section 9 contains only the Ramseyer format instructions paragraph.

We respectfully ask the Committee to consider our comments.



## Care for 'Āina Now Coalition

March 20, 2026

Hawai'i State Legislature  
Senate Committee on Water, Land, Culture and the Arts  
Senate Committee on Agriculture and Environment  
Senate Committee on Economic Development and Tourism

Re: Testimony in **Support** of HB 2618 HD1, Relating to the Environment

Aloha Chairs Lee, Gabbard and DeCoite, Vice Chairs Inouye, Richards and Wakai, and esteemed members of the committees,

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 Water, Land, Culture and the Arts  
Committee on Agriculture and Environment  
Committee on Economic Development and Tourism  
March 20, 2026 at 1:02 pm  
Conference Room 308 and via Videoconference**

**LATE**

Dear Chairs Lee, Gabbard and DeCoite, Vice Chairs Inouye, Richards and Wakai, 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.

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*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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**HB-2618-HD-1**

Submitted on: 3/19/2026 7:54:08 PM

Testimony for EDT on 3/20/2026 1:02:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Ted Bohlen	Testifying for Hawaii Reef and Ocean Coalition and Climate Protectors Hawaii	Support	Written Testimony Only

Comments:

**STRONG SUPPORT** for green fee funding as provided in this bill and recommended by the Energy and Environment and Tourism Committees, 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!

Hawaii Reef and Ocean Coalition and Climate Protectors Hawaii (By Ted Bohlen)



**LATE**

*Testimony of  
Mufi Hannemann  
President & CEO  
Hawai'i Lodging & Tourism Association*

*Committee on Finance  
Friday, March 20, 2026*

HB 2618– RELATING TO THE ENVIRONMENT

Chair Decoite, Chair Lee, Chair Gabbard and Members of the Committees,

The Hawai'i Lodging & Tourism Association (HLTA), representing hotels and lodging operators statewide, submits this testimony **SUPPORTING with COMMENTS** on HB 2618 which establishes a framework to allocate green fee revenues into several special funds supporting environmental stewardship, including watershed protection, marine conservation, coastal restoration, and cesspool conversion.

As the state's largest private sector tourism organization, representing nearly 50,000 hotel rooms, and 40,000 lodging employees. Our members share the goal of protecting Hawai'i's natural resources and recognize the importance of aligning tourism operations with broader environmental objectives.

HLTA supports the underlying goal of ensuring that visitor-generated revenues are reinvested into protecting Hawai'i's natural resources, which are foundational to both the visitor industry and the broader community. A well-managed and sustainable environment is essential to maintaining Hawai'i's global competitiveness as a destination.

Importantly, the Green Fee established under Act 96 (2026) was intended to promote **sustainable tourism**, including enhancing beaches and parks and managing visitor impacts. As such, it is critical that the implementation of this measure remain aligned with that original intent by prioritizing investments that directly address visitor-related impacts and support the stewardship of the resources that both residents and visitors rely upon.

As the measure advances, HLTA respectfully emphasizes the importance of ensuring that **tourism nexus projects are equitably funded across all islands**. Visitor impacts and infrastructure needs are not limited to a single county, and each island contributes to, and depends on, the strength of Hawai'i's overall visitor economy. Accordingly, funding allocations should reflect a **statewide approach** that recognizes varying levels of visitor use, resource strain, and infrastructure needs across O'ahu, Maui, Hawai'i Island, and Kaua'i.

Ensuring geographic balance in funding will help address visitor-related impacts in communities statewide, support neighbor island infrastructure and natural resource management, strengthen the overall visitor experience, and promote fairness and transparency in the use of tourism-generated revenues.

HLTA also encourages continued attention to implementation details, including clear criteria for project eligibility, accountability measures, and coordination across agencies to maximize the effectiveness of these investments.

Mahalo for the opportunity to provide comments on this measure.

Mufi Hannemann  
President & CEO  
Hawai'i Lodging & Tourism Association

**HB-2618-HD-1**

Submitted on: 3/18/2026 3:08:13 PM

Testimony for EDT on 3/20/2026 1:02:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Beth Anderson	Individual	Support	Written Testimony Only

Comments:

I strongly support this legislation in order to protect, steward and maintain and manage our natural resources. The State is sorely lacking in its responsibilities regarding these aspects of tourism management, climate change measurements, and protection of natural resources. Management plans for trails and beaches are needed in so many places but are lacking. please support this bill.