A BILL FOR AN ACT

RELATING TO ENVIRONMENTAL PROTECTION.

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

SECTION 1. The legislature finds that each year, Hawaii's reefs, oceans, beaches, and forests provide billions of dollars in value to the economy, supporting the wellbeing of our resident community and visitors alike. These ecosystems are vital to the State's visitor industry and the resident community's cultural identity.

The legislature also finds that even though these natural resources are critical for the visitor industry and resident communities, the State invests less than one per cent of its state budget into those assets. The State's total conservation funding gap has been estimated as high as $360,000,000 annually, constituting a major unfunded liability that poses a significant risk to our business climate and our economic resiliency. In comparison to other jurisdictions, such as Ecuador (for its Galapagos National Park), New Zealand, and Australia (for its Great Barrier Reef Marine Park), that invest between $137 to
$373 per tourist in their natural capital, Hawaii only invests $9 per tourist.

The legislature further finds that our State's vital ecosystems and the resources they harbor continue to decline, due to the lack of adequate investment in proven and effective conservation approaches and rising pressures of climate change. Data demonstrates growing concern that tourism's positive contribution to the economy may not outweigh the impact that visitors have on the environment. In 2019, ten million visitors enjoyed the benefits of Hawaii's ecosystems and natural environment. The increased demand on our natural resources requires the creation of innovative conservation financing mechanisms focused on reversing the decline in our ecosystems and the associated risks for our visitor industry and resident community.

The legislature recognizes that the COVID-19 pandemic provides the State with an opportunity to build back the tourism sector more sustainably. A visitor green fee could provide sustainable and comprehensive funding for green job growth beyond initial federal stimulus relief. As the frequency of natural disasters and exogenous shocks increase, the legislature
finds that diversification and green job growth is invaluable to
Hawaii's economic stability, ability to withstand shocks, and
reverse brain drain.

The legislature also finds that innovative financing
mechanisms, such as green fees, are trending around the globe as
triple bottom-line solutions to better manage visitor impacts on
ecosystems and natural resources. Green fees vary from $1 per
night to a $100 set entrance fee and may be referred to as eco-
taxes; tourist taxes; green taxes; and environmental,
conservation, and tourism levies. In general, green fees
require mandatory payments made by visitors to government or
public-private entities for the explicit purpose of supporting
conservation and natural resource management. Green fees are
typically bundled with a robust conservation fund and associated
management system, along with visitor education and engagement
strategies, as part of a jurisdiction's conservation strategy.

The legislature finds that these green fees will provide
various economic benefits to the State. With 2021 arrivals
forecasted to be approximately five million visitors, a $40 per
visitor green fee could generate approximately $200,000,000 in
conservation workforce revenue, which is estimated to be enough
to fund as much as two thousand four hundred public and private conservation jobs of diverse skill sets and abilities. Other jurisdictions have found that green stimulus yields a higher economic multiplier effect. Similarly, studies show impressive returns on conservation investment; for example, The Nature Conservancy's efforts at the Waikamoi Preserve will generate a forty-six per cent return on investment over the one-hundred-year planning period, with a net present value of $19,100,000. The legislature further finds that green fees will provide environmental benefits through the funded conservation efforts, including the prevention of four thousand three hundred tons per year of sediment from washing into the ocean and the recharge of 32.5 billion gallons over the next one hundred years. In addition to watershed conservation, other environmental benefits could include fire road installation, dune restoration, integrated marine monitoring, coral reef restoration, and recreation and trail maintenance.

The legislature notes that these environmental benefits advance the natural resource management targets established as part of the Aloha+ Challenge, which is the government, business, and community partnership committing to community-based goals.
across six priority areas: clean energy transportation; local agriculture; natural resource management; solid waste reduction; green workforce and education; and smart sustainable communities. The goals set under the Aloha+ Challenge and other environmental initiatives, such as the Hawaii climate change mitigation and adaptation initiative, enacted as chapter 225P, Hawaii Revised Statutes, will be advanced by the implementation of a pilot visitor green fee program that will fund a conservation workforce and under the guidance of an advisory committee to ensure fair implementation.

The purpose of this Act is:

(1) To establish the conservation workforce special fund with the explicit commitment of funding a conservation workforce and advancing the Aloha+ Challenge Natural Resource Management Targets;

(2) To form a public-private advisory committee focused on designing the management and governance structure and funding criteria that safeguards the special fund's fidelity towards conservation; and

(3) To establish a ten-year pilot visitor green fee to go into effect July 1, 2021.
SECTION 2. Chapter 171, Hawaii Revised Statutes, is amended by adding two new sections to part I to be appropriately designated and to read as follows:

"$171-A Conservation workforce special fund. (a) There is established in the state treasury the conservation workforce special fund into which shall be deposited:

(1) All revenues under section 237D–;

(2) Appropriations made by the legislature to the special fund; and

(3) Grants and gifts made to the special fund.

(b) Funds in the special may be expended by the department for workforce programs and services with the explicit aim of meeting the goals of the Aloha+ Challenge natural resource management targets and the International Union for Conservation of Nature's 30by30 goals of:

(1) Increasing freshwater capacity by one hundred million gallons per day in comparison to the January 1, 2016, baseline;

(2) Having thirty per cent of Hawaii's marine waters under active management by 2030;
(3) Implementing the biosecurity plan to address priority invasive species by 2030; and

(4) Increasing the percentage of threatened and endangered native species managed in Hawaii by 2030.

Funds may also support the maintenance or restoration of beaches, parks, and trails.

§171-B Conservation advisory committee. (a) The department and the office of planning, in consultation with the department of budget and finance and Hawaii tourism authority, shall convene an advisory committee within the department. The advisory committee shall consist of three or more odd number members who shall comprise conservationists, tourism industry leaders, and youth advisors. The department shall have the authority to appoint members to the advisory committee and to fill any vacancies. The members shall serve on a volunteer basis.

(b) The advisory committee shall develop a funding criteria and transparency and governance framework to ensure that management of the conservation workforce special fund established pursuant to section 171-A safeguards the fidelity of
the special fund towards natural resource management and
conservation job growth."

SECTION 3. Chapter 237D, Hawaii Revised Statutes, is
amended by adding a new section to be appropriately designated
and to read as follows:

"§237D- Green fee surcharge. (a) In addition to the
taxes imposed pursuant to section 237D-2, there is levied and
shall be assessed and collected a green fee surcharge of $40 for
each guest of a transient accommodation beginning on July 1,
2021, and thereafter; provided that a transient accommodations
broker, travel agency, and tour packager who arranges transient
accommodations at noncommissioned negotiated contract rates and
every operator shall not pay the surcharge on the same guest
more than once in any three hundred and sixty-five day period
and, in such cases, shall not charge the guest for the amount of
the surcharge.

(b) Notwithstanding sections 237-2(e) and 237D-6.5, the
revenues collected pursuant to this section shall be deposited
quarterly into the conservation workforce special fund
established pursuant to section 171-A."

SECTION 4. New statutory material is underscored.
SECTION 5. This Act shall take effect on July 1, 2021; provided that this Act shall be repealed on June 30, 2031.
Report Title:
Environmental Protection; Green Fees; Conservation; Workforce; Services; Transient Accommodations

Description:
Establishes a green fee surcharge on transient accommodations for the purposes of funding workforce and services that promote certain environmental goals. Repeals on June 30, 2031.

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