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September 20, 2021

2021 SEP 20 PM 4:00

OFFICE OF THE
COUNTY COUNCIL

MEMO TO: GET-3(1) File

F R O M: Kelly Takaya King, Councilmember

Kelly T. King

SUBJECT: **TRANSMITTAL OF LEGISLATIVE PROPOSAL RELATING TO
2022 HAWAII STATE ASSOCIATION OF COUNTIES
LEGISLATIVE PACKAGE** (PAF 21-280)

The attached legislative proposal pertains to Item 3(1) on the Committee's agenda.

paf:kmatt:21-280c

Attachment

Resolution

No. _____

APPROVING FOR INCLUSION IN THE 2022
HAWAII STATE ASSOCIATION OF COUNTIES
LEGISLATIVE PACKAGE A STATE BILL TO
ESTABLISH A GREEN FEE SURCHARGE ON
TRANSIENT ACCOMODATIONS

WHEREAS, 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; and

WHEREAS, these ecosystems are vital to the State's visitor industry and the resident community's cultural identity; and

WHEREAS, our State's vital ecosystems and the resources they harbor continue to decline, due to the lack of adequate investment in conservation approaches and rising pressures of climate change; and

WHEREAS, the COVID-19 pandemic provides the State with an opportunity to build back the tourism sector more sustainably; and

WHEREAS, a visitor green fee could result in economic and environmental benefits, while also providing sustainable and comprehensive funding for green job growth beyond initial federal stimulus relief; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That the proposed State bill, attached as Exhibit "A," to establish a green fee surcharge on transient accomodations, is approved for inclusion in the 2022 Hawai'i State Association of Counties Legislative Package; and
2. That certified copies of this Resolution be transmitted to the Hawaii State Association of Counties Executive Committee.

____.B. NO.____

A BILL FOR AN ACT

RELATING TO ENVIRONMENTAL PROTECTION.

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

1 SECTION 1. Each year, Hawaii's reefs, oceans, beaches, and
2 forests provide billions of dollars in value to the economy,
3 supporting the wellbeing of our resident community and visitors
4 alike. These ecosystems are vital to the State's visitor industry
5 and the resident community's cultural identity.

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

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

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

22 These green fees will provide various economic benefits to
23 the State. Other jurisdictions have found that green stimulus

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1 yields a higher economic multiplier effect. Similarly, studies
2 show impressive returns on conservation investment; for example,
3 The Nature Conservancy's efforts at the Waikamoi Preserve will
4 generate a forty-six per cent return on investment over the one-
5 hundred-year planning period, with a net present value of
6 \$19,100,000.

7 Green fees will provide environmental benefits through the
8 funded conservation efforts, including the prevention of four
9 thousand three hundred tons per year of sediment from washing into
10 the ocean and the recharge of 32.5 billion gallons over the next
11 one hundred years. In addition to watershed conservation, other
12 environmental benefits could include fire road installation, dune
13 restoration, integrated marine monitoring, coral reef restoration,
14 and recreation and trail maintenance.

15 These environmental benefits advance the natural resource
16 management targets established as part of the Aloha+ Challenge,
17 which is the government, business, and community partnership
18 committing to community-based goals across six priority areas:
19 clean energy transportation; local agriculture; natural resource
20 management; solid waste reduction; green workforce and education;
21 and smart sustainable communities. The goals set under the Aloha+
22 Challenge and other environmental initiatives, such as the Hawaii
23 climate change mitigation and adaptation initiative, enacted as

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1 chapter 225P, Hawaii Revised Statutes, will be advanced by the
2 implementation of a pilot visitor green fee program that will fund
3 a conservation workforce and under the guidance of an advisory
4 committee to ensure fair implementation.

5 The purpose of this Act is to:

6 (1) Establish the conservation workforce special fund with
7 the explicit commitment of funding a conservation workforce and
8 advancing the Aloha+ Challenge Natural Resource Management
9 Targets;

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

14 (3) Establish a ten-year pilot visitor green fee to go into
15 effect July 1, 2022.

16 SECTION 2. Chapter 171, Hawaii Revised Statutes, is amended
17 by adding two new sections to part I to be appropriately designated
18 and to read as follows:

19 **"§171-A Conservation workforce special fund.** (a) There is
20 established in the state treasury the conservation workforce
21 special fund into which shall be deposited:

22 (1) All revenues under section 237D- ;

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

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

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

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

12 (2) Having thirty per cent of Hawaii's marine waters
13 under active management by 2030;

14 (3) Implementing the biosecurity plan to address
15 priority invasive species by 2030; and

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

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

20 **§171-B Conservation advisory committee.** (a) The department
21 and the office of planning, in consultation with the department of
22 budget and finance and Hawaii tourism authority, shall convene an
23 advisory committee within the department. The advisory committee

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1 shall consist of three or more odd number members who shall
2 comprise conservationists, tourism industry leaders, and youth
3 advisors. The department shall have the authority to appoint
4 members to the advisory committee and to fill any vacancies. The
5 members shall serve on a volunteer basis.

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

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

15 **"§237D- Green fee surcharge.** (a) In addition to the
16 taxes imposed pursuant to section 237D-2, beginning on July 1,
17 2022, and thereafter; there is levied and shall be assessed and
18 collected a green fee surcharge of \$20 per night on the lodging
19 accommodations facility of each individual in temporary residence
20 at that facility for as many nights as that individual is in
21 residence at that facility; provided that a transient
22 accommodations broker, travel agency, and tour packager who
23 arranges transient accommodations at noncommissioned negotiated

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1 contract rates and every operator shall not pay the surcharge on
2 the same guest more than once in any three hundred and sixty-five
3 day period and, in such cases, shall not charge the guest for the
4 amount of the surcharge.

5 (b) The amount of this nightly fee will be reviewed yearly
6 by administration and Legislature in order to balance revenue
7 generated, effect on the visitor industry, public sentiment, and
8 environmental impact.

9 (c) This fee will be raised or lowered by \$5 to \$10 yearly,
10 in order to achieve the desired balance.

11 (d) Administration and Legislature will be advised by report
12 of a determination of the desirable number of yearly visitors made
13 each year by the 20 member State Climate Commission. This
14 Commission is comprised of the Chair of DLNR, Chair of HTA,
15 Director of DBEDT, Director of Office of Planning, CEO of OHA,
16 Chair of Hawaiian Homes Commission, Chair Board of Education,
17 Director of Department of Agriculture, Director of Department of
18 Health, Director of Department of Transportation, Director of
19 Honolulu Planning and Permitting, Director of Maui Planning
20 Department, Director of County Hawaii Planning Department,
21 Director of Kauai Planning Department, Chair of Senate Committee
22 on Agriculture and Environment, Chair of Senate Committee on Land
23 and Water, Chair of House Committee on Energy and Environmental

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1 Protection, Chair of House Committee on Land and Water, the
2 Adjutant General and the Manager of Coastal Zone Management
3 Program.

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

8 SECTION 4. New statutory material is underscored.

9 SECTION 5. This Act shall take effect on July 1, 2022;
10 provided that this Act shall be repealed on June 30, 2032.

11 INTRODUCED BY: _____

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13 paf:kmatt:21-280a