

# HB760, HD1

Measure Title: RELATING TO THE ENVIRONMENT.

Report Title: Environmental Conservation; Optional Contribution; Rental Motor Vehicles

Description: Requires lessors of rental motor vehicles to include an option to the lessee in the motor vehicle agreement to contribute a sum to the Department of Land and Natural Resources for the preservation and protection of the environment commencing on July 1, 2015. Repeals on July 1, 2018. (HB760 HD1)

Companion:

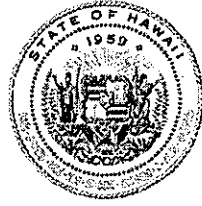
Package: None

Current Referral: CPN/WTL, WAM

Introducer(s): C. LEE, AQUINO, AWANA, BROWER, CARROLL, EVANS, HANOHANO, ING, LOWEN, LUKE, MCKELVEY, MIZUNO, NISHIMOTO, TAKAYAMA, TAKUMI, THIELEN, WARD, Cachola, Nakashima

<u>Sort by Date</u>		<u>Status Text</u>
1/22/2013	H	Pending introduction.
1/24/2013	H	Introduced and Passed First Reading
1/24/2013	H	Referred to TRN/EEP, FIN, referral sheet 4
2/1/2013	H	Bill scheduled to be heard by TRN/EEP on Wednesday, 02-06-13 11:00AM in House conference room 309.
2/6/2013	H	The committees on TRN recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 7 Ayes: Representative(s) Yamane, Ichiyama, Ing, Nakashima, Takumi, Yamashita, Fukumoto; Ayes with reservations: none; Noes: none; and 2 Excused: Representative(s) Aquino, Hashem.
2/6/2013	H	The committees on EEP recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 7 Ayes: Representative(s) C. Lee, Thielen, Coffman, Evans, Kawakami, Lowen; Ayes with reservations: Representative(s) Fale; Noes: none; and 2 Excused: Representative(s) Cullen, Hanohano.
2/13/2013	H	Reported from TRN/EEP (Stand. Com. Rep. No. 381) as amended in HD 1, recommending passage on Second Reading and referral to FIN.
2/13/2013	H	Passed Second Reading as amended in HD 1 and referred to the committee(s) on FIN with Representative(s) Hanohano voting aye with reservations; none voting no (0) and Representative(s) Coffman, Har, Say excused (3).
2/17/2013	H	Bill scheduled to be heard by FIN on Wednesday, 02-20-13 3:30PM in House conference room 308.
2/20/2013	H	The committees on FIN recommend that the measure be PASSED, UNAMENDED. The votes were as follows: 17 Ayes: Representative(s) Luke, Nishimoto, Johanson, Cullen, Hashem, Ing, Jordan, Kobayashi, Lowen, Morikawa, Onishi, Takayama, Tokioka, Woodson, Yamashita, Fukumoto, Ward; Ayes with reservations: none; Noes: none; and Excused: none.
2/28/2013	H	Reported from FIN (Stand. Com. Rep. No. 679), recommending passage on Third Reading.
2/28/2013	H	Passed Third Reading with none voting aye with reservations; none voting no (0) and Coffman, McDermott excused (2). Transmitted to Senate.
3/1/2013	S	Received from House (Hse. Com. No. 108).
3/1/2013	S	Passed First Reading.
3/5/2013	S	Referred to CPN/WTL, WAM.
3/7/2013	S	The committee(s) on CPN/WTL has scheduled a public hearing on 03-12-13 9:45AM in conference room 229.

NEIL ABERCROMBIE  
GOVERNOR OF HAWAII



STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

Testimony of  
**WILLIAM J. AILA, JR.**  
Chairperson

Before the Senate Committees on  
**COMMERCE AND CONSUMER PROTECTION**  
and  
**WATER AND LAND**

Tuesday, March 12, 2013  
9:45 AM  
State Capitol, Conference Room 229

In consideration of  
**HOUSE BILL 760, HOUSE DRAFT 1**  
**RELATING TO THE ENVIRONMENT**

House Bill 760, House Draft 1 proposes to require lessors of rental motor vehicles to include an option to the lessee in the motor vehicle agreement to contribute a sum to the Department of Land and Natural Resources (Department) for the preservation and protection of the environment. **The Department supports this bill that could supplement funding for the Natural Area Reserve Fund and the Land Conservation Fund.**

Check-offs are used in 36 states to provide funding for conservation programs.<sup>i</sup> The funds receiving the check-offs support a variety of critical natural area protection and land acquisition programs. Protection and restoration of natural areas provides the dual benefit of ensuring a fully functioning water supply as well as preserving the unique cultural and natural resources that attract visitors to Hawaii.

The visitor industry clearly relies on natural resources. The Koolau Forest Watershed on Oahu is estimated to provide a net present value of \$1-3 billion for ecotourism alone.<sup>ii</sup> Forest protection also prevents erosion that muddies beaches, coral reefs, and fisheries. Protection sustains the native plants and animals unique to our islands and important to the Hawaiian culture.

Forests also mitigate climate change effects from rental vehicles by absorbing greenhouse gases. Reducing and preventing deforestation is the mitigation option with the largest and most immediate carbon stock impact in the short term, according to the Intergovernmental Panel on Climate Change.<sup>iii</sup> In Hawaii, destruction of native forests by hooved animals can reduce or practically eliminate stored carbon. Invasive plants can reduce aboveground biomass by 19-38%.<sup>iv</sup> Thus, enormous carbon emissions have already and will continue to occur from forest degradation in Hawaii. Over half of Hawaii's forests have already been lost.

WILLIAM J. AILA, JR.  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

ESTHER KIA'AINA  
FIRST DEPUTY

WILLIAM M. TAM  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

The Natural Area Reserve Fund supports the Natural Area Partnership Program, the Natural Area Reserves, the Watershed Partnerships Program, and the Youth Conservation Corps. These programs protect Hawaii's invaluable ecosystems and forested watersheds.

The Land Conservation Fund (LCF) supports the Legacy Land Conservation Program (LLCP). The LLCP protects rare and unique cultural, natural, agricultural, and recreational resources from destruction by funding the acquisition of fee title or conservation easements by nonprofits, counties, and state agencies.

House Bill 760, House Draft 1 supports programs that protect Hawaii's world-renown beauty and the natural resources needed to sustain the visitor industry.

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<sup>i</sup> Department of Land and Natural Resources. 2001. Annual Report to the Twenty-First Legislature 2001 Regular Session on Act 152 SLH 2000 (HB 2835, HD2, SD2, CD1) Relating to Watershed Protection.

<sup>ii</sup> Roumasset, J., J.B. Kaiser, N. Krause, D. Mecham and J. Wooley. 1997. Draft Environmental Valuation and the Hawaiian Economy. University of Hawai'i Economic Research Organization, UH- Mānoa.

<sup>iii</sup> Pachauri, R.K., A. Reisinger (Eds.). 2007. Climate Change 2007: Synthesis Report. Intergovernmental Panel on Climate Change, Geneva, Switzerland.

<sup>iv</sup> Asner, G. P., R. F. Hughes, T. A. Varga, D. E. Knapp, T. Kennedy-Bowdoin. 2008. Environmental and Biotic Controls over Aboveground Biomass Throughout a Tropical Rain Forest. *Ecosystems*. DOI 10.1007/S10021-008-9221-5.



**HB760 HD1**  
**RELATING TO THE ENVIRONMENT**  
Senate Committees on Commerce and Consumer Protection and  
Water and Land

March 12, 2013

9:45 a.m.

Room 229

The Office of Hawaiian Affairs (OHA) **SUPPORTS** HB760 HD1, which will allow Hawai'i's visitors to voluntarily contribute towards the maintenance and conservation of our natural and cultural resources.

Numerous studies in Hawai'i and abroad have indicated that visitors to areas of natural beauty and importance are generally more than willing to contribute financially to maintaining the environmental quality of these areas. Given the prominence of our natural environment as a tourism driver, these "user fee" studies thus indicate the existence of a currently untapped revenue source, i.e. visitors who may be willing to contribute financially to the environment they travel thousands of miles to enjoy.

By allowing visitors to voluntarily contribute to our natural environment at the time of their visit, this measure will allow the state to tap into a source of substantial potential revenues for the protection and conservation of our islands' resources. Given the clear need for greater financial investment in our watersheds, coastlines, and other natural and cultural resources, and given the growing strain placed on these resources by the visitor industry, this measure thus provides much-needed revenues from an appropriate source of funds, without burdening taxpayers or our existing tourism industry. In addition, visitors who contribute funds under this measure will know that they played a part in protecting the natural resources and environment that are critical to our tourism economy, and to the welfare of the entire state.

Therefore, the OHA urges the Committees to **PASS** HB760 HD1. Mahalo for the opportunity to testify on this measure.

# HISTORIC HAWAII FOUNDATION

**To:** Senator Rosalyn H. Baker, Chair  
Senator Brickwood Galuteria, Vice Chair  
Committee on Commerce & Consumer Protection  
  
Senator Mālama Solomon, Chair  
Senator Maile S.L. Shimabukuro, Vice Chair  
Committee on Water & Land

**From:** Kiersten Faulkner  
Executive Director, Historic Hawai'i Foundation

**Committee Date:** Tuesday, March 12, 2013  
9:45 a.m.  
Conference Room 229

**Subject:** **HB 760 HD 1, Relating to the Environment**

On behalf of Historic Hawai'i Foundation (HHF), I am writing in support of HB 760 HD1, which requires lessors of rental motor vehicles to include an option to the lessee in the motor vehicle agreement to contribute a sum to the Department of Land and Natural Resources for the preservation and protection of the environment.

Since 1974, Historic Hawai'i Foundation has been a statewide leader for historic preservation. HHF's 850 members and numerous additional supporters work to preserve Hawaii's unique architectural and cultural heritage and believe that historic preservation is an important element in the present and future quality of life, economic viability and environmental sustainability of the state.

The bill would establish a mechanism by which voluntary contributions could be made to provide financial support to the natural area reserve system and the legacy lands program. These programs within the Department of Land and Natural Resources are used to preserve and protect both native ecosystems and other important lands, including those of historic or cultural significance.

The voluntary contribution program would provide a convenient means for members of the public to support the natural and cultural resources that are critical to the welfare of the state and its citizens. The program would have the added benefit of educating visitors and residents who lease vehicles about the resources that many are visiting Hawai'i to enjoy. The moneys raised would go towards two established and successful programs and lead to additional protection and preservation of the environment, including cultural resources.

Therefore, Historic Hawai'i Foundation supports HB 760 HD 1. Thank you for the opportunity to comment.

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## Historic Hawai'i Foundation

680 Iwilei Road, Suite 690 • Honolulu, HI 96817 • Tel: 808-523-2900 • FAX: 808-523-0800 • [www.historichawaii.org](http://www.historichawaii.org)

Historic Hawai'i Foundation was established in 1974 to encourage the preservation of historic buildings, sites and communities on all the islands of Hawai'i. As the statewide leader for historic preservation, HHF works to preserve Hawaii's unique architectural and cultural heritage and believes that historic preservation is an important element in the present and future quality of life, environmental sustainability, and economic viability of the state.



# Sierra Club Hawai'i Chapter

PO Box 2577, Honolulu, HI 96803  
808.538.6616 [hawaii.chapter@sierraclub.org](mailto:hawaii.chapter@sierraclub.org)

## SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION SENATE COMMITTEE ON WATER AND LAND

March 12, 9:45 A.M.  
(*Testimony is 1 page long*)

### TESTIMONY IN SUPPORT OF HB 760 HD1

Aloha Chair Baker, Chair Solomon and Committee Members:

The Sierra Club, Hawai'i Chapter, with over 10,000 dues-paying members and supporters, **supports** the HB 760 HD1. This bill would allow people renting a car the option of making a donation to the Department of Land and Natural Resources.

The islands of Hawai'i are blessed with an abundance of natural resources, diverse ecosystems, and stunning beauty unparalleled elsewhere on the Earth. This is the foundation of Hawai'i's tourism industry. For this reason, we need to better protect Hawai'i's environment, and we should use visitor money to do so.

A survey of 1,000 visitors performed in 1998 by the Sierra Club, Maui Group, found that Hawai'i's environment and pristine natural areas were very important in attracting tourists. Respondents chose open spaces, natural beaches, and undeveloped coastlines as reasons they visit Maui. The survey also revealed that visitors would be willing to pay for the protection of Hawai'i's environment. Over 80% of the sample surveyed said that they would be willing to spend an extra dollar on their hotel room tax (transient accommodations tax – TAT) if it was to be spent on preserving and protecting Hawai'i's natural areas.

Mahalo for the opportunity to submit testimony.

The Nature  
Conservancy



Protecting nature. Preserving life.

The Nature Conservancy of Hawai'i  
923 Nu'uuanu Avenue  
Honolulu, HI 96817

Tel(808) 537-4508  
Fax (808) 545-2019

[nature.org/hawaii](http://nature.org/hawaii)

Testimony of The Nature Conservancy of Hawai'i  
Supporting H.B. 760 HD1 Relating to the Environment  
Senate Committee on Commerce and Consumer Protection  
Senate Committee on Water and Land  
Tuesday, March 12, 2013, 9:45AM, Rm. 229

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*The Nature Conservancy of Hawai'i is a private non-profit conservation organization dedicated to the preservation of the lands and waters upon which life in these islands depends. The Conservancy has helped to protect nearly 200,000 acres of natural lands in Hawai'i. Today, we actively manage more than 35,000 acres in 11 nature preserves on Maui, Hawai'i, Moloka'i, Lāna'i, and Kaua'i. We also work closely with government agencies, private parties and communities on cooperative land and marine management projects.*

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The Nature Conservancy supports H.B. 760 HD1, which would allow an optional contribution by rental car customers to the natural resource protection programs of the Department of Land and Natural Resources.

The DLNR's Natural Area Reserve Fund and Land Conservation Fund are the State's primary source of funding for forest and watershed protection, invasive species control, and land preservation across the state. Many of the programs supported by these funds have experienced up to 50% reductions in State funding since 2008 as a result of the weakened economy as well as the growing need for conservation work since invasive pests don't recognize economic cycles. While the optional contribution proposed in H.B. 760 HD1 may not be a major source of revenue for natural resource programs, it should provide an opportunity for more visitors and Hawai'i residents to learn about these worthy programs, appreciate their value, and make a much appreciated and helpful contribution to them.

BOARD OF TRUSTEES

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**Testimony of  
Gary M. Slovin / Mihoko E. Ito  
on behalf of  
EAN Holdings, LLC**

DATE: March 11, 2013

TO: Senator Rosalyn Baker  
Chair, Committee on Commerce and Consumer Protection

Senator Malama Solomon  
Chair, Committee on Water and Land  
*Submitted Via E-mail [CPNtestimony@capitol.hawaii.gov](mailto:CPNtestimony@capitol.hawaii.gov)*

RE: **H.B. 760 H.D.1 – Relating to The Environment**  
**Hearing Date: Tuesday, March 12, 2013 at 9:45 am**  
**Conference Room 229**

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Dear Chairs Baker and Solomon and Members of the Joint Committees:

We submit this testimony on behalf of EAN Holdings, LLC, operating Enterprise Rent-A-Car, Alamo Rent-A-Car and National Car Rental in Hawaii (collectively referred to as “Enterprise”).

Enterprise **opposes** H.B.760 H.D.1, which requires lessors of rental motor vehicles to include an option to the lessee in the motor vehicle agreement to contribute a sum to the Department of Land and Natural Resources for the preservation and protection of the environment beginning July 1, 2015. While preserving native ecosystems is certainly a worthwhile goal, rental car customers already pay their fair share of supporting Hawaii’s infrastructure and natural beauty through the various taxes they already pay. There is no additional nexus to impose this mandate on top of what the rental car companies and its customers already provide. The Department of Land and Natural Resources has indicated that 36 states have a similar check-off system. However, Enterprise operates in nearly every state in the country and there is no other state where Enterprise is required to institute such a check-off system.

Enterprise already offers a voluntary contribution for research to offset carbon emissions in each contract. We feel this is more relevant and that this option should be left to the companies rather than for any particular agency requiring the companies to support their

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Gary M. Slovin  
Mihoko E. Ito  
Tiffany N. Yajima  
Nicole A. Velasco

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individual mission. Many missions and many causes could have an equal claim for such treatment. We feel this sets a bad precedent. Our economy is very dependent upon return travelers, and we already impose many costs on our visitors who are voluntary visitors in most cases. Even though the contribution is voluntary, we believe that this suggestion to renters is likely to be offensive to them and to create a bad impression upon people we need and want to return. This requirement imposes additional burdens upon rental car companies that already provide a very significant service to the state in collecting significant fees from the renters of their rental car vehicles. At a minimum, companies such as Enterprise that already provide an environmental check-off should not be required to impose any additional check-off on their rental agreements.

We are concerned that it is becoming too easy to seek support from others when the support should be internal as the department has fundamental resources that it should be able to tap to meet its responsibilities. For the foregoing reasons, we believe this bill should not go forward.

Thank you for the opportunity to present our views.

**HB760**

Submitted on: 3/7/2013

Testimony for CPN/WTL on Mar 12, 2013 09:45AM in Conference Room 229

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Marjorie Ziegler	Conservation Council for Hawai'i	Support	No

**HB760**

Submitted on: 3/11/2013

Testimony for CPN/WTL on Mar 12, 2013 09:45AM in Conference Room 229

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
David Arakawa	Land Use Research Foundation	Support	No

### HB 760, HD 1 TESTIMONY

Submitted By	Organization	Testifier Position	Present at Hearing
TROY ABRAHAM	Individual	Support	No
Javier Mendez- Alvarez	Individual	Support	No