

JAN 17 2020

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# A BILL FOR AN ACT

RELATING TO GREEN FEES.

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

1           SECTION 1. The legislature finds that each year, Hawaii's  
2 reefs, oceans, beaches, and forests provide billions of dollars  
3 in value to the economy, supporting the wellbeing of our  
4 communities and visitors alike. For our tourism industry, our  
5 ecosystems are vital. Inseparable from our culture, our  
6 environment is integral to our visitor experience.

7           The legislature also finds that even though these natural  
8 resources are critical for the visitor industry and resident  
9 communities, Hawaii invests less than one per cent of its state  
10 budget into those assets. Hawaii's total conservation funding  
11 gap has been estimated as high as \$360 million annually,  
12 constituting a major unfunded liability that poses a significant  
13 risk to our business climate and our economic resiliency.

14           The legislature further finds that our State's vital  
15 ecosystems and the resources they harbor continue to decline,  
16 due to lack of adequate investment in proven and effective  
17 conservation approaches. Data demonstrates growing concern that



1 tourism's positive contribution to the economy may not outweigh  
2 the impact that visitors have on the environment. Ten million  
3 visitors enjoyed the benefits of Hawaii's ecosystem and natural  
4 environment in 2019, and the number of visitors is expected to  
5 rise. Increased demand on our natural resources requires  
6 innovative conservation financing mechanisms focused on  
7 reversing the decline in our ecosystems and the associated risks  
8 for our visitor industry and communities.

9 The legislature also finds that innovative financing  
10 mechanisms such as green fees are trending around the globe as  
11 triple bottom-line solutions to better manage visitor impacts on  
12 eco-systems and natural resources. Green fees may be referred  
13 to as eco-taxes, tourist taxes, green taxes, and environmental,  
14 conservation and tourism levies. In general, green fees require  
15 mandatory payments made by visitors to government entities for  
16 the explicit purpose of supporting conservation and natural  
17 resource management.

18 By following the benchmarks and mandates required by the  
19 Hawaii climate change mitigation and adaptation initiative  
20 enacted as Chapter 225P, Hawaii Revised Statutes, and by  
21 following the data generated under the Aloha+ Challenge natural



1 resource management goals, the legislature seeks to better  
2 understand if and how green fees can accelerate support for  
3 these efforts, while ensuring that implementation is fair and  
4 beneficial for all.

5 The purpose of this Act is to appropriate funds for a  
6 feasibility and implementation plan focused on the establishment  
7 of a green fees program, for the explicit purpose of closing the  
8 conservation funding gap and meeting the goals of the Hawaii  
9 climate change mitigation and adaptation initiative and the  
10 Aloha+ Challenge natural resource management goals.

11 SECTION 2. (a) The office of planning shall prepare a  
12 feasibility and implementation plan to assess a green fee on a  
13 per visitor, per stay basis. The plan shall include, but not be  
14 limited to the following:

15 (1) An analysis and breakdown of Hawaii's conservation  
16 funding gap that exists in current natural resource  
17 and climate change funding relative to meeting the  
18 goals set forth in chapter 225P, Hawaii Revised  
19 Statutes, and the Aloha+ Challenge natural resource  
20 management goals, and the extent to which Hawaii's



- 1 unfunded conservation liabilities will increase based  
2 on the current rate of funding;
- 3 (2) An analysis and review of the current utilization of  
4 natural resource and climate change funding throughout  
5 state departments and agencies;
- 6 (3) An examination of all existing tax and fee structures  
7 that exists to support climate change mitigation  
8 efforts;
- 9 (4) An examination of all existing tax and fee structures  
10 placed on the visitor accommodation and tourism  
11 industries;
- 12 (5) A discussion of the advantages or disadvantages of  
13 increasing, decreasing, or reallocating existing taxes  
14 relative to the option of establishing a new green  
15 fee;
- 16 (6) Development of proposed green fee rate structures that  
17 would be required to close the conservation funding  
18 gap over a five-year period;
- 19 (7) Consideration of a dedicated bond issuance or other  
20 financing mechanism that will ensure the most  
21 effective management of funds and result in revenues



1 collected being used explicitly for the purposes of  
2 this Act;

3 (8) Identification of potential short-term and long-term  
4 impacts on the Hawaii's tourism industry and overall  
5 economic outlook, including but not limited to  
6 possible market impacts, economic and workforce  
7 considerations; and

8 (9) Development of a ten-year implementation plan with  
9 rollout of fees to begin no later than 2022, including  
10 a proposed fee schedule, benchmarks and indicators,  
11 and mandatory impact reporting.

12 (b) The office of planning, in consultation with the  
13 Hawaii tourism authority, and the department of land and natural  
14 resources, shall create an advisory group made up of  
15 stakeholders and industry leaders. This group shall include:

16 (1) Representatives from relevant state agencies,  
17 including the department of budget and finance,  
18 department of taxation, department of business,  
19 economic development, and tourism;

20 (2) Business and industry groups;



- 1           (3) Non-governmental organizations with an interest in
- 2           climate change and natural resource protection;
- 3           (4) Legislators;
- 4           (5) Hawaii climate change mitigation and adaptation
- 5           commission; and
- 6           (6) Any other relevant parties that the office of planning
- 7           deems necessary to advise in the development of the
- 8           plan, assist in outreach and engagement efforts, and
- 9           provide comments upon completion.

10           (c) The office of planning shall submit an interim report  
11 to the legislature of its progress, findings, recommendations  
12 and timeline for completion no later than December 31, 2020.  
13 The interim report shall also include a preliminary  
14 determination of the conservation funding gap amount.

15           (d) The office of planning shall submit a final report to  
16 the legislature of its progress, findings, and recommendations,  
17 including proposed legislation for the establishment and  
18 implementation of a green fees program, no later than  
19 October 31, 2021.



# S.B. NO. 2696

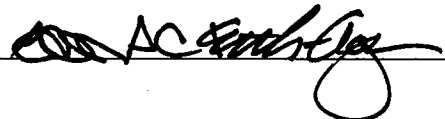
1 (e) Nothing in this Act shall preclude the office of  
2 planning from executing contracts with appropriate entities  
3 having expertise in tourist industry green fees.

4 SECTION 3. There is appropriated out of the general  
5 revenues of the State of Hawaii the sum of \$300,000 or so much  
6 thereof as may be necessary for fiscal year 2020-2021 for a  
7 feasibility and implementation plan prepared by the office of  
8 planning relating to the establishment of a green fee program in  
9 Hawaii.

10 The sum appropriated shall be expended by the office of  
11 planning for the purposes of this Act.

12 SECTION 4. This Act shall take effect on July 1, 2020.

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INTRODUCED BY:  \_\_\_\_\_



# S.B. NO. 2696

**Report Title:**

Tourism; Green Fees; Feasibility Study

**Description:**

Requires the office of planning to conduct a feasibility study on assessing tourism green fees.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

