

HB-433

Submitted on: 2/2/2021 9:06:40 AM

Testimony for EEP on 2/4/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dale Jensen	Individual	Support	No

Comments:

Chairman Lowen and EEP Committee Members:

I would like to express my support the HB433. I believe it is essential that we begin asking tourists, non-resident investors and part time residents in our state to pay their fair share to support the infrastructure upon which they depend while here in our state or investing in real property in our state. State residents have supported the tourist industry long enough and with the burgeoning tourist numbers in the pre-covid days, all our states resources and infrastructure suffered. I support all such measures that requires further direct payments by tourists and temporary residents to pay their fair share.

Sincerely,

Dale Jensen

Professional Engineer

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
ON
HOUSE BILL NO. 433

**February 4, 2021
8:30 a.m.
Via Videoconference**

RELATING TO CLIMATE CHANGE MITIGATION

The Department of Budget and Finance offers comments on House Bill (H.B.) No. 433.

H.B. No. 433 assesses a Climate Change Mitigation Impact Fee (Impact Fee) of an unspecified amount per day on every customer who rents, leases, or utilizes a rental motor vehicle; establishes the Climate Change Mitigation Special Fund (Special Fund) to be utilized by the Department of Land and Natural Resources (DLNR) for various climate change mitigation and environmental conservation activities; specifies that the Impact Fee will be collected beginning on July 1, 2022, and will be deposited into the general fund, provided that on July 1, 2024, the Impact Fees shall be deposited into the Special Fund; and provides that the revenues for the Special Fund shall consist of Impact Fees, legislative appropriations, gifts, and donations.

As a matter of general policy, the department does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the

general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining.

Regarding H.B. No. 433, it is difficult to determine whether the proposed special fund would be self-sustaining given that no seed funding is provided in FY 22 or FY 23 and it would not receive revenues via Impact Fees until FY 25.

The department defers to DLNR, the Department of Transportation, and the Department of Taxation regarding implementation and funding.

Thank you for your consideration of our comments.

HB-433

Submitted on: 2/2/2021 3:01:40 PM

Testimony for EEP on 2/4/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lea Hong	The Trust for Public Land	Support	No

Comments:

Aloha Chair Lowen, Vice Chair Marten and Committee Members:

The Trust for Public Land supports HB433 Relating to Climate Change Mitigation.

The Hawai'i State Legislature has been a national and global leader in the fight against climate change. In 2017, the Legislature was the first in the nation to enact legislation implementing portions of the Paris Climate Agreement. In 2018, the Legislature again took strong action to protect our ocean resources and fragile marine ecosystems by banning sunscreens with oxybenzone and octinoxate.

Even before the pandemic, it was clear that we cannot disentangle our environment from our economy. If our natural resources degrade and decline, so does our overall quality of life and the strength of our economy. Visitors rank nature and the ocean as the top two details that make their trip to Hawaii excellent (Hawaii Tourism Authority, 2017). It is our shared responsibility, both resident and visitor, to ensure the protection and survival of our greatest asset, so that our natural resources continues to protect and sustain future generations.

Unfortunately, current funding for our reefs, forests, beaches, and watersheds has not kept pace with the stresses and impacts on our environment/ Hawai'i is running an estimated 40% deficit on its investment in nature (Conservation International, 2018). The COVID-19 pandemic has revealed the critical need to diversify our economy to withstand future shocks, rebuild a more sustainable tourism sector, put people back to work in resilient careers, and the value of the outdoors to residents and visitors alike.

The Trust for Public Land supports visitor green fee legislation, such as HB433, that creates a solution to close this conservation budget gap, while increasing community resiliency by diversifying our economy and creating green jobs. With 75% of polled residents supporting a "visitor green fee" (Ward Research, 2020), this revenue generating mechanism to fund a resilient and green transition forward is a win-win for the community.

The Trust for Public Land proposes an ***amendment in the bill to establish public private governance of the special fund*** to safeguard the fund towards conservation and climate mitigation efforts. Specifically, I encourage oversight from conservation, climate, and industry experts in the non-profit sectors. Research of over a dozen visitor green fee systems around the world demonstrates that public private partnership governance models have been effective in ensuring the transparency and effectiveness of visitor green fee programs and their associated revenue uses (Conservation International, 2019).

Mahalo for the opportunity to testify,

Lea Hong

The Trust for Public Land

Hawaiian Islands State Director



Robert Muhs, Esq.
Vice President Government Affairs,
Corporate Compliance &
Business Ethics
T - 973 496-3532
Robert.muhs@avisbudget.com

Representative Nicole Lowen, Chair
Representative Lisa Marten, Vice Chair
Committee on Energy & Environmental Protection

Thursday, February 4, 2021, 9:00 a.m.
Via Videoconference

RE: HB 433 – Relating to Climate Change Mitigation – In Opposition

Aloha Chair Lowen, Vice Chair Marten and members of the committee:

My name is Robert Muhs, Vice President Government Affairs, Corporate Compliance and Business Ethics for Avis Budget Group. Avis Budget appreciates this opportunity to offer testimony in opposition to HB 433, which would assess a climate change mitigation impact fee on every customer who rents, leases, or utilizes a rental motor vehicle.

Avis Budget opposes another fee on the industry, which we believe contributes more than its fair share. In 2019, the Legislature increased the amount of the rental motor vehicle surcharge tax from \$3.00 to \$5.00. Hawaii rental car customers currently pay the following charges – a rental motor vehicle customer facility charge of \$4.50 per day and a rental motor vehicle surcharge tax of \$5.00 per day which is applied to the state highway fund. The total surcharge amount before GET is among the highest in the country.

This fee imposed on airport rentals also violates federal law which prohibits the diversion of revenues from airport transactions for non-airport purposes.

Avis Budget Group's Hawaii operations suffered a significant revenue loss in 2020 due to the pandemic. The visitor industry is slowly recovering. We request that the industry be allowed to recover before additional fees and increases be considered.

For this reason, we ask that the committee defer this measure. Thank you.



2/2/2021

Energy and Environmental Protection Committee
Hawai'i State Capitol
Honolulu, Hawai'i 96813

Dear Chair Lowen, and Members of the Energy and Environmental Protection Committee,

The Surfrider Foundation would like to offer this testimony in support of HB433.

The Surfrider Foundation is a national nonprofit organization dedicated to the protection and enjoyment of our ocean, waves, and beaches. Surfrider maintains a network of over 150 chapters and academic clubs nationwide, including 4 chapters in the Hawaiian Islands. The Surfrider Foundation focuses on many aspects of the environment such as coastal protection, plastic pollution, and water quality.

Being so immersed in environmental protection means that as an organization we have witnessed the lack of financial support the natural resource sector has. We are constantly being told that there is not enough money, especially after the COVID-19 pandemic, where we witnessed the need to diversify our economy and jobs, and buffer the economy with income that doesn't rely on tourism alone. This is one reason that Surfrider supports any green fee legislation, to hopefully use Hawai'i's large tourist base to make money that supports a growing sustainable infrastructure.

HB433 would help achieve that desired result. The funds generated with this kind of green fee could open up jobs like *coral reef restoration, invasive species removal, native tree planting, campsite and trail maintenance, beach restoration and dune erosion recovery, ditch clearing, wildfire prevention and recovery, or fishpond restoration and monitoring*, going further to protect our natural areas.

In a poll of residents, 75% of those living in Hawai'i who took the survey supported a green fee for visitors (Conservation International, 2020). There are many conservation milestones as well here in Hawai'i that we would be in a better position to hit with better funding and support, for instance the 30 x 30 marine protection goal that has been a priority of DLNR's for a while.

These are just some of the reasons why we support a visitor green fee here in Hawai'i, and we thank you for your consideration of this testimony in support of HB433, submitted on the behalf of the Surfrider Foundation's 4 Chapters in Hawai'i and all of our members who live in the state and visit to enjoy the many coastal recreational opportunities offered by all of the islands' coastlines.

Sincerely,

Kaitlyn Jacobs
Volunteer Policy Coordinator
Surfrider Foundation, O'ahu Chapter



HB 433, RELATING TO CLIMATE CHANGE MITIGATION

FEBRUARY 4, 2021 · HOUSE ENERGY AND ENVIRONMENTAL PROTECTION COMMITTEE · CHAIR REP. NICOLE E. LOWEN

POSITION: Support.

RATIONALE: Imua Alliance supports HB 433, relating to climate change mitigation, which assesses a climate change mitigation impact fee on every customer who rents, leases, or utilizes a rental motor vehicle; establishes the climate change mitigation special fund; and specifies that the impact fees collected shall be deposited to the credit of the general fund, provided that beginning July 1, 2024, the impact fees shall be deposited to the credit of the climate change mitigation special fund.

According to a report produced by the Hawai'i Climate Change Mitigation and Adaptation Commission, global sea levels could rise more than three feet by 2100, with more recent projections showing this occurring as early as 2060. In turn, over the next 30 to 70 years, approximately 6,500 structures and 19,800 people statewide will be exposed to chronic flooding.

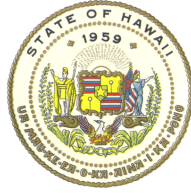
Additionally, an estimated \$19 billion in economic loss would result from chronic flooding of land and structures located in exposure areas. Finally, approximately 38 miles of coastal roads and 550 cultural sites would be chronically flooded, on top of the 13 miles of beaches that have already been lost on Kaua'i, O'ahu, and Maui to erosion fronting shoreline armoring, like seawalls.

Furthermore, according to research conducted by Michael B. Gerrard from Columbia Law School, modern-day slavery tends to increase after natural disasters or conflicts where large numbers of people are displaced from their homes. In the decades to come, says Gerrard, **climate change will very likely lead to a significant increase in the number of people who are displaced and, thus vulnerable, to human trafficking.** While the Paris Climate Agreement of 2015 established objectives to limit global temperature increases and several international agreements are aimed at combating modern-day slavery, it is highly uncertain whether they will be adequate to cope with the scale of the problem that is likely to occur as a result of climate change.

As we work to reduce carbon emissions and stave off the worst consequences of climate change, we must begin preparing for the adverse impact of sea level rise on our shores. We are now quantifying the speed at which we must act. We cannot continue to develop the 25,800-acre statewide sea level rise exposure area—one-third of which is designated for urban use—without risking massive structural damage and, potentially, great loss of life.

Therefore, we should take steps to accelerate Hawai'i's efforts to address climate change and develop a clean economy, including by implementing "green fees" that ensure our state's visitors pay their fair share to sustain our 'āina. New Zealand, the Maldives, Cancun, and Venice, and numerous other countries have green fee programs for visitors, which vary from \$1 per night to a \$100 entrance fee for the purpose of environmental conservation. **Palau's per-tourist investment in its natural environment is \$92, New Zealand's is \$188, and the Galapagos Islands' is \$373. Hawai'i's is just \$9 per tourist,** according to a report from Conservation International's Green Passport initiative. We need to catch up. For the sake of our keiki, we cannot afford to wait to solidify strategies to preserve our island home for generations to come.

Kris Coffield · Executive Director, Imua Alliance · (808) 679-7454 · kris@imuaalliance.org



STATE OF HAWAII
HAWAII CLIMATE CHANGE MITIGATION & ADAPTATION
COMMISSION
POST OFFICE BOX 621
HONOLULU, HAWAII 96809

Testimony of
Anukriti Hittle
Coordinator, Hawaii Climate Change Mitigation and Adaptation Commission

Before the House Committee on
ENERGY & ENVIRONMENTAL PROTECTION
Thursday, February 4, 2021
9:00 am
State Capitol, Conference Room 325

In support of
HOUSE BILL 433
RELATING TO CLIMATE CHANGE MITIGATION

House Bill 433 proposes to assess a climate change mitigation impact fee on every customer who rents, leases, or utilizes a rental motor vehicle, and establishes the climate change mitigation special fund. **On behalf of the Hawaii Climate Change Mitigation and Adaptation Commission (Commission) I support this measure, and offer the following comments.**

The Hawaii Climate Change Mitigation and Adaptation Commission “recognizes the urgency of climate threats and the need to act quickly. It promotes ambitious, climate-neutral, culturally responsible strategies for climate change adaptation and mitigation in a manner that is clean, equitable and resilient.” The Commission, established by Act 32 SLH 2017 to uphold the United States’ pledges under the Paris Agreement, is the coordinating body for policies on climate change mitigation and adaptation for the state. It is a high-level multi-jurisdictional body that guides the priorities of the state’s climate response. Co-chaired by DLNR and Office of Planning, it consists of 20 members—chairs of four legislative committees, and executive department heads at the county and state levels.

The Commission recognizes that ground transportation contributes significantly to Hawai‘i’s share of greenhouse gas emissions. It supports mechanisms to reduce overall vehicle miles traveled, as well as converting all remaining vehicle-based ground transportation to renewable, zero-emission fuels and technologies. This measure addresses this priority of the Commission to help achieve the state’s climate change goals.

Thank you for the opportunity to offer comments in support of this measure.

Co-Chairs:
Chair, DLNR
Director, Office of Planning

Commissioners:
Chair, Senate AEN
Chair, Senate WTL
Chair, House EEP
Chair, House WTH
Chairperson, HTA
Chairperson, DOA
CEO, OHA
Chairperson, DHHL
Director, DBEDT
Director, DOT
Director, DOH
Chairperson, DOE
Director, C+C DPP
Director, Maui DP
Director, Hawai‘i DP
Director, Kaua‘i DP
The Adjutant General
Manager, CZM

Testimony in **SUPPORT** of:
HB433 Relating to Climate Change Mitigation

Submitted by:
Ashley Lukens
1401 Wilhelmina Rise
Honolulu, HI 96816

EEP Hearing Held
February 4th, 2021

Dear Chair Lowen, Vice Chair Marten, Rep Hashem, Rep Todd, Rep Matayoshi, Rep Tokioka, Rep Perruso, and Rep Matsumoto,

My name is Ashley Lukens, and I am testifying in **support of HB433, Relating to Climate Change Mitigation.**

Thanks to the efforts and vision of the Hawai‘i State Legislature, Hawai‘i has been a national and global leader in the fight against climate change and the battle to protect our natural resources. In 2017, we were the first state in the nation to enact legislation that implements portions of the Paris agreement. In 2018, Hawai‘i took strong action to protect our ocean resources and fragile marine ecosystems by banning sunscreens with oxybenzone and octinoxate.

Hawai‘i took these strides because we recognized one essential truth: we cannot disentangle our environment from our economy. If our natural resources degrade and decline, so does our overall quality of life and the strength of our economy. **Nature is our Taj Mahal.** Visitors rank nature and the ocean as the top two details that make their trip to Hawaii excellent (Hawaii Tourism Authority, 2017). It is our shared responsibility, both resident and visitor, to ensure the protection and survival of our greatest asset, so that our natural resources continues to protect and sustain future generations.

Unfortunately, the current funding for our reefs, forests, beaches, and watersheds has not kept pace with the stresses and impacts on our environment, such that Hawai‘i is running an estimated 40% deficit on its investment in nature (Conservation International, 2018). Each year that we delay adequately funding these efforts, the interest on that debt to nature grows. At the same time, **the COVID-19 pandemic has revealed the critical need to diversify our economy to withstand future shocks, rebuild a more sustainable tourism sector, and put people back to work in resilient careers.** For this reason, I support visitor green fee legislation, such as HB433, that **creates a solution to close this conservation budget gap, while increasing community resiliency by diversifying our economy and creating green jobs.**

With 75% of polled residents supporting a “visitor green fee” (Ward Research, 2020), this revenue generating mechanism to fund a resilient and green transition forward is a win-win for the community.

I propose an amendment in the bill to establish public private governance of the special fund to safeguard the fund towards conservation and climate mitigation efforts. Specifically, I encourage oversight from conservation, climate, and industry experts in the non-profit sectors. Research of over a dozen visitor green fee systems around

the world demonstrates that public private partnership governance models have been effective in ensuring the transparency and effectiveness of visitor green fee programs and their associated revenue uses (Conservation International, 2019).

Now more than ever, Hawai'i faces challenges beyond the environment, such as housing, healthcare, and affordability. As the State addresses many urgent issues, ***we urge legislators to continue to prioritize the environment as it underpins every aspect of life and wellbeing on our islands.***

Mahalo for the opportunity to testify,

A handwritten signature in black ink, appearing to be 'A. S. L.', with a long horizontal flourish extending to the right.

HB-433

Submitted on: 2/2/2021 9:50:46 PM

Testimony for EEP on 2/4/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ted Bohlen	Climate Protectors Coalition	Support	No

Comments:

To: The House Committee on Energy and Environmental Protection (EEP)

From: Climate Protectors Coalition

Hearing Date: Thursday, February 2, 2021, 9:00 am

In support of HB433 RELATING TO CLIMATE CHANGE MITIGATION

Aloha Chair Lowen, Vice Chair Marten, and Energy and Environmental Protection Committee members:

The Climate Protectors Coalition **supports HB433.**

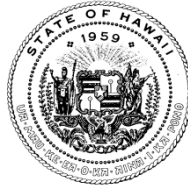
The Climate Protectors Coalition is a group inspired by the Mauna Kea Protectors but focused on reversing the climate crisis. As a tropical island State, Hawaii will be among the first places harmed by the global climate crisis, with more intense storms, loss of protective coral reefs, food insecurity, and rising sea levels destroying our shorelines. We must do all we can to reduce our carbon footprint and become at least carbon neutral as soon as possible.

This bill would reduce greenhouse gas emissions by assessing a climate mitigation impact fee for every customer who rents, leases, or utilizes a rental motor vehicle. The bill establishes the climate change mitigation special fund. The impact fees would be credited to the general fund until June 30, 2024, after which they would be deposited to the special fund.

The Climate Protectors ask that you pass this bill. Mahalo!

Climate Protectors Coalition (by Ted Bohlen)

DAVID Y. IGE
GOVERNOR



TESTIMONY BY:

JADE T. BUTAY
DIRECTOR

Deputy Directors
LYNN A.S. ARAKI-REGAN
DEREK J. CHOW
ROSS M. HIGASHI
EDWIN H. SNIFFEN

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

February 4, 2021
9:00 a.m.
State Capitol, Via Videoconference

H.B. 433
RELATING TO CLIMATE CHANGE MITIGATION

House Committee on Energy & Environmental Protection

The Department of Transportation (DOT) offers **comments** on this bill which assesses a climate change mitigation impact fee on every customer who rents, leases, or utilizes a rental motor vehicle.

From the Airports perspective the DOT offers the following comments to this bill:

We support the intent of this bill that will provide funds to help with climate change mitigation. However, any additional fees to on-airport rental car users may decrease rental car transactions. As a result, customers may opt for another mode of transportation, thereby still affecting the climate change this bill is trying to achieve.

Thank you for the opportunity to provide testimony.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: RENTAL MOTOR VEHICLE, Climate Change Mitigation Surcharge

BILL NUMBER: HB 433

INTRODUCED BY: JOHANSON, LOWEN, LUKE, TARNAS

EXECUTIVE SUMMARY: Assesses a climate change mitigation impact fee on every customer who rents, leases, or, utilizes a rental motor vehicle. Establishes the climate change mitigation special fund. Specifies that the impact fees collected shall be deposited to the credit of the general fund; provided that beginning 7/1/2024, the impact fees shall be deposited to the credit of the climate change mitigation special fund.

SYNOPSIS: Adds two new sections to chapter 171, HRS. One imposes a “climate change mitigation impact fee” of \$ ____ per day or portion of a day a rental motor vehicle is rented. The other establishes the climate change mitigation special fund.

EFFECTIVE DATE: 7/1/2021.

STAFF COMMENTS: First, chapter 251, HRS, already imposes a tax on the renting of motor vehicles. The Department of Taxation has administered this tax and continues to do so. The bill proposes to tax the same class of business transactions, but places the operative provisions in chapter 171 which is in the jurisdiction of the Department of Land and Natural Resources. Thus, DLNR is put in the awkward and inefficient situation of having to administer what appears to be a surcharge on a tax that DOTAX already administers.

Next, the tax creates a special fund with scant justification. Yes, we could benefit by having some money spent on our land and natural resources, but does that justify burdening the visitor industry with yet another tax and without going through the normal appropriation and budgeting process that also considers sweltering primary schools, underfunded state pensions, or the economic decimation caused by COVID-19? Rather than the continual earmarking of revenues, a direct appropriation of general funds would be preferable. Earmarking revenues from any tax type for a particular purpose decreases transparency and accountability.

Digested 2/2/2021

HB-433

Submitted on: 2/2/2021 11:20:18 PM

Testimony for EEP on 2/4/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Zara Nicholson	Individual	Support	No

Comments:

Aloha e Representative Nicole E. Lowen,

My name is Zara Nicholson and I am testifying in support of Bill HB433.

I believe this bill will create a great positive impact in our community. Establishing a fee and fund to recoup and restore damages done by those visiting is vital to keep our local residents healthy in their home. Please push and approve this Bill HB433.

Mahalo nui loa for the opportunity,

Zara Nicholson



Testimony in Support of H.B. 433, Relating to Climate Change Mitigation

House Committee on Energy & Environmental Protection

Submitted by Kupu CEO John Leong, hearing date Feb. 4, 2021

Aloha e Chair Lowen, Vice Chair Marten, and Honorable Committee Members,

My name is John Leong, and I am the Chief Executive Officer and co-founder of Kupu, a statewide youth-focused conservation organization. On behalf of Kupu, I am pleased to testify in **support of H.B. 433, Relating to Climate Change Mitigation**. As written, this measure would support the long-term wellbeing of our ‘āina, economy and community by reducing the overuse and undermanagement of Hawai‘i’s previous natural and cultural resources. In particular, Kupu is in strong support of the provisions in §171-B, *Climate change mitigation special fund*, which would provide critically needed funding for natural resource management across our state.

Kupu was established in 2007, in the early stages of the Great Recession. Today we are a statewide organization, developing youth and young adults through hands-on service training in conservation and natural resource management professions. Since 2007 we have trained close to 5,000 youth in conservation, sustainability, and environmental education. Young adults served by Kupu have provided more than 3 million service hours during this time, which included planting over 1 million native plants and removing over 100,000 acres of invasive species. This has created a cumulative \$155+ million in impact for Hawai‘i with a 1:3 cost to benefit ratio. We believe more investment in the green economy - as this bill provides - would enable similar economic benefits to our state, create jobs in related fields, and help diversify our economy.

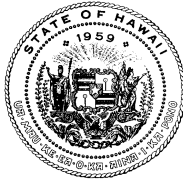
Kupu is proud of the impact we have made, but our experience also exposes us to the reality of how much more is needed in order to care for our environment and respond to the impacts of climate change that are already happening. While natural resource management is critically needed across our islands, at this time these measures are critically underfunded. Continued underfunding not only jeopardizes our precious, unique ecosystems, but it undermines the very industries that, at present, rely upon Hawai‘i’s natural beauty and environmental quality.

Sincerely,

John Leong

John Leong, CEO

Kupu



STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

WRITTEN
TESTIMONY ONLY

**Testimony COMMENTING on HB0433
RELATING TO CLIMATE CHANGE MITIGATION**

REPRESENTATIVE NICOLE E. LOWEN, CHAIR
REPRESENTATIVE LIS MARTEN, VICE CHAIR
HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

Hearing Date: 2/4/2021

Room Number: Via Videoconference

1 **Fiscal Implications:** This measure creates a revenue stream and is therefore unlikely to impact the
2 priorities identified in the Governor's Executive Budget Request for the Department of Health's
3 (Department) appropriations and personnel priorities.

4 **Department Testimony:** The Department recognizes that the changing climate is a worldwide
5 environmental health problem that directly impacts the health and safety of Hawaii's people,
6 communities, and natural environment. Potential human health effects resulting from climate change are
7 broad reaching and include dangers from increased natural disasters and flooding, changing vector-borne
8 infectious diseases and food related infections, as well as impacts on mental health and well-being. Our
9 natural environment is also affected by climate change, with negative impacts on air and water quality,
10 changing conditions at sites with chemical contamination and disruption of shorelines and beaches.

11 Mitigation measures will help Hawaii adapt to the effects of climate change and help keep our citizens
12 safe and healthy, but these efforts require funding. A climate change mitigation impact fee on rental cars
13 will provide a revenue source for aggressive climate change mitigation measures as well as help off-set
14 the impact of tourism on Hawaii's natural environment. It is important to note that climate change
15 mitigation extends beyond the listed potential uses of the special fund and it may be a valuable to the
16 extend the scope of the designated goals. Overall, climate change mitigation measures will help protect
17 the health of Hawaii's people and natural environment.

18 **Offered Amendments:** None

19 Thank you for the opportunity to testify on this measure.

HB-433

Submitted on: 2/3/2021 7:50:20 AM

Testimony for EEP on 2/4/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Milholen	Individual	Support	No

Comments:

Mahalo for advancing this bill to bolster Hawai'i's resiliency goals with the economic driver of tourism

Hawaii Electric Vehicle Association

PO BOX 6310
Hilo, HI 96720
hawaiidriveelectric@gmail.com



February 3, 2021

Dear Chair Lowen, Vice Chair Marten, and EEP Committee members,

Hawaii Electric Vehicle Association is in SUPPORT of HB443.

It will enable a more sustainable tourist industry – visitors will have a built-in mechanism to reduce the climate impact of their visit and allow our state to invest in urgently-needed climate change mitigation.

We would like to recommend an exemption or lower rate for zero-emission vehicles will help raise the demand for these vehicles and increase adoption by providers and customers. This will allow it to complement other measures designed to encourage sustainable transportation and reduce emissions.

Thank you for your support of **HB443**.

Sincerely,

A handwritten signature in black ink, appearing to read "Noel Morin". The signature is written in a cursive style and is positioned above the printed name.

Noel Morin - President

Hawaii EV Association is a grassroots non-profit group representing electric vehicle owners in Hawaii. Our mission is to accelerate the electrification of transportation through consumer education, policy advocacy, and electric vehicle charging infrastructure expansion. For more information, please visit hawaiiev.org.



SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: February 3, 2021

TO: Representative Nicole Lowen
Chair, Committee on Energy & Environmental Protection

FROM: Mihoko Ito

RE: **H.B. 433, Relating to Transportation**
Hearing Date: Thursday, February 4, 2021 at 9:00 a.m.
Conference Room: 325

Dear Chair Lowen, Vice Chair Marten, and members of the House Committee on Energy and Environmental Protection:

We submit this testimony on behalf of Enterprise Holdings, which includes Enterprise Rent-A-Car, Alamo Rent-A-Car, National Car Rental, and Enterprise Commute (Van Pool).

Enterprise **opposes** H.B. 433 Relating to Climate Change Mitigation, which assesses a climate change mitigation impact fee on every customer who rents, leases, or utilizes a rental motor vehicle. The bill further deposits the fees into the general fund between July 1, 2022 through July 1, 2024, at which time the impact fees will be deposited into a newly created climate change mitigation special fund.

While Enterprise appreciates the State's budget deficit and concerns about climate change, we are very concerned that creating this new fee will negatively impact an already hurting industry. At the peak of the COVID 19 pandemic, the rental car industry was down 95%, and is only now starting to slowly make a recovery that is projected to take several years.

As it is, the state already collects from rental car customers substantial sums of money to be used for state purposes. Just two years ago, the Governor signed Act 174 into law which increased the rental motor vehicle surcharge tax from \$3 to \$5 a day. H.B. 433 now proposes to add yet another fee of unspecified amount onto each transaction. We do not feel that it is justified to solicit additional contributions from renters, and feel that it will alienate our customers.

The tax burden on rental cars to support state priorities is also already quite disproportionate to what other vehicles pay. While rental cars only comprise about 5% of the total vehicles in the State, the rental car surcharge tax represents approximately 26% of the total funds in the highway special fund. And right now, that reliance on rental car revenue is hurting the highway fund because of the significant decrease in revenues due to the pandemic.

Enterprise understands the State's concerns about climate change impacts, and already offers a voluntary contribution for research to offset carbon emissions on each contract.

However, Enterprise is very concerned that creating a new fee as proposed in H.B. 433 singles out an industry to solve the budget deficit and climate change, when the industry is already contributing more than its fair share to the State.

For the above reasons, we oppose this bill and respectfully request that it be held. Thank you for the opportunity to submit testimony on this bill.

LATE



HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

February 4, 2021, 9:00 A.M.

Video Conference

TESTIMONY IN SUPPORT OF HB 433

Aloha Chair Lowen, Vice Chair Marten, and members of the Committee:

Blue Planet Foundation **supports HB 433**, which assesses a climate change mitigation fee on gas-powered rental vehicles. **Hawai'i's visitor industry can play a role in shifting our economy.** As Hawai'i seeks to recover from the coronavirus pandemic, we are offered an unparalleled opportunity to build back better and press the reset button on tourism. House Bill 433 is an important measure to align the visitor industry with Hawai'i clean energy future.

Tourism has played a substantial role in Hawai'i's economy for over half a century. Until the COVID pandemic hit, the sector directly employed over 123,000 residents, with an equal amount in the supporting industries of retail, trade, and transportation.¹ Hawai'i's beauty, beaches, shopping, culture, and attractions appeal to visitors globally, with over 10 million vacationing in the state in 2019.

For all of its economic benefits, however, tourism growth has created and exacerbated myriad challenges on the islands. Hawai'i's "carrying capacity" is increasingly in question as a larger number of tourists strain the islands' infrastructure and environment. Mass tourism erodes a sense of place and culture. Many jobs in the hospitality industry are low-wage, and workers are forced to find multiple positions to make ends meet. Given this impact, we would hope to see commensurate economic growth for the state. Unfortunately, attempts to grow visitor spending while decreasing the actual number of visitors have failed. Spending per visitor has decreased over the past decade, and competition from other visitor destinations worldwide makes changing this calculus unlikely. Visitor arrivals and spending will be depressed considerably for the next few years due to the COVID pandemic, and 2019 visitor levels won't likely return until 2024.²

The tourism sector has an opportunity to transform substantially in order to be sustainable, both economically and environmentally.

¹ Hawai'i Department of Labor and Industrial Relations, Research and Statistics Office, 2018.

² "COVID-19: Developing Economic Recovery Scenarios for Hawaii," UHERO, May 4, 2020, <https://uhero.hawaii.edu/covid-19-developing-economic-recovery-scenarios-for-hawaii>.

What might this transformation look like for Hawai'i's visitor industry? It would place climate at the forefront. Hawai'i has an unprecedented opportunity to embrace our global climate challenge and position itself as the clean energy islands of the world. Hawai'i should be the epicenter for climate solutions, a living laboratory for renewable energy and mobility solutions. What's more, this concept needs to infuse every aspect of the visitor experience, from arrival to departure—Hawai'i can be a postcard from our sustainable climate future.

House Bill 433 puts in place a framework to begin this shift but focusing on carbon-intensive ground transportation. The rental car industry operates the state's largest vehicle fleets, and the frequent turnover of the vehicles means greater availability of clean vehicles for local residents and businesses to purchase at discounted prices. Further, many visitors have yet to drive or ride in an electric or zero-emission vehicle—Hawai'i should be the place where they have that initial experience.

This bill could help to dramatically expedite the uptake of ZEVs in Hawai'i while encouraging the visitor industry to play a central role in shifting our economy post-pandemic.

Thank you for the opportunity to provide testimony.

LATE

Testimony in SUPPORT of:
HB433 Relating to Climate Change Mitigation

Submitted by:
Emelia von Saltza
67-419 Kukea Circle, Waialua HI

EEP Hearing Held
February 4th, 2021

Dear Chair Lowen, Vice Chair Marten, Rep Hashem, Rep Todd, Rep Matayoshi, Rep Tokioka, Rep Perruso, and Rep Matsumoto,

My name is Emelia von Saltza; I am an environmental economist who works in the conservation sector, and I am testifying in **support of HB433, Relating to Climate Change Mitigation.**

Thanks to the efforts and vision of the Hawai‘i State Legislature, Hawai‘i has been a national and global leader in the fight against climate change and the battle to protect our natural resources. In 2017, we were the first state in the nation to enact legislation that implements portions of the Paris agreement. In 2018, Hawai‘i took strong action to protect our ocean resources and fragile marine ecosystems by banning sunscreens with oxybenzone and octinoxate.

Hawai‘i took these strides because we recognized one essential truth: we cannot disentangle our environment from our economy. If our natural resources degrade and decline, so does our overall quality of life and the strength of our economy. **Nature is our Taj Mahal.** Visitors rank nature and the ocean as the top two details that make their trip to Hawaii excellent (Hawaii Tourism Authority, 2017). It is our shared responsibility, both resident and visitor, to ensure the protection and survival of our greatest asset, so that our natural resources continues to protect and sustain future generations.

Unfortunately, the current funding for our reefs, forests, beaches, and watersheds has not kept pace with the stresses and impacts on our environment, such that Hawai‘i is running an estimated 40% deficit on its investment in nature (Conservation International, 2018). Each year that we delay adequately funding these efforts, the interest on that debt to nature grows. At the same time, **the COVID-19 pandemic has revealed the critical need to diversify our economy to withstand future shocks, rebuild a more sustainable tourism sector, and put people back to work in resilient careers.** For this reason, I support visitor green fee legislation, such as HB433, that **creates a solution to close this conservation budget gap, while increasing community resiliency by diversifying our economy and creating green jobs.**

With 75% of polled residents supporting a “visitor green fee” (Ward Research, 2020), this revenue generating mechanism to fund a resilient and green transition forward is a win-win for the community.

I propose an amendment in the bill to establish public private governance of the special fund to safeguard the fund towards conservation and climate mitigation efforts. Specifically, I encourage oversight from conservation, climate, and industry experts in the non-profit sectors. Research of over a dozen visitor green fee systems around

the world demonstrates that public private partnership governance models have been effective in ensuring the transparency and effectiveness of visitor green fee programs and their associated revenue uses (Conservation International, 2019).

I have personally spent the last two years researching visitor green fee systems around the world, as summarized in the Green Passport Report (Conservation International, 2019), and am happy to answer any questions relevant to these findings.

Now more than ever, Hawai'i faces challenges beyond the environment, such as housing, healthcare, and affordability. As the State addresses many urgent issues, ***we urge legislators to continue to prioritize the environment as it underpins every aspect of life and wellbeing on our islands.***

Mahalo for the opportunity to testify,

Emelia von Saltza

A handwritten signature in black ink, appearing to read "Emelia". The signature is fluid and cursive, with a large initial "E" and a long, sweeping tail.



Board Members

President

Jason Okuhama
Managing Partner,
Commercial & Business Lending

Secretary

Marcus Kawatachi
Deputy Director,
Hawai'i Civil Rights Commission

Trina Orimoto

Clinical & Research Psychologist

Miwa Tamanaha

Co-Director,
Kua'āina Ulu 'Auamo

Derrick Kiyabu

Hawai'i Island Resident

Date: February 3, 2021

To: Representative Nicole E. Lowen, Chair, Representative Lisa Marten,
Vice-Chair, and members of the Committee on Energy & Environmental
Protection

From: Brent Kakesako, Hawai'i Alliance for Community-Based Economic
Development (HACBED)

Re: Support for HB 433

Aloha Chair Lowen, Vice-Chair Marten, and Committee Members,

The Hawai'i Alliance for Community-Based Economic Development (HACBED) supports HB 433, which assesses a climate change mitigation impact fee on every customer who rents, leases, or utilizes a rental motor vehicle and establishes the climate change mitigation special fund.

HACBED Staff

Brent N. Kakesako

Executive Director

Keoki Noji

Chief Operating Officer

Merri Keli'ikuli

*Office Manager & Program
Support*

Sean Tangco

Program Specialist

Angelica Penaran

AmeriCorps VISTA

Pua Lani Yang

AmeriCorps VISTA

HACBED was established in 1992 as a nonprofit statewide intermediary to address social, economic, and environmental justice concerns through community-based economic development and asset building strategies. It advances its mission with core competencies in the areas of community and organizational capacity building, community and economic development planning, and asset policy development and advocacy. Over time, what has rung true across the different communities HACBED has been blessed to support is the importance of choice and control in the lives of families across the state to achieve their vision for genuine wealth – and this is an opportunity to increase community resiliency with the support of both residents and visitors who use rental cars.

The COVID-19 situation has revealed the critical need to diversify our economy, build a more responsible tourism sector, and provide place-based careers for residents. HB 433 would establish a climate change mitigation fee focused on rental cars, which is one step to shift our economy by centering on our 'āina and our people.

Mahalo for this opportunity to testify,

Brent N. Kakesako

Executive Director

Hawai'i Alliance for Community-Based Economic Development

LATE

HB-433

Submitted on: 2/3/2021 11:23:08 AM

Testimony for EEP on 2/4/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Will Caron	Individual	Support	No

Comments:

Aloha committee members,

Please support HB433. A green fee for visitors is a sound policy that will help maintain the natural beauty of Hawaii, while shifting some of the burden on our environment caused by tourism to the tourists to make things more equitable. Maintaining our natural environment is not only critical to quality of life in the islands for residents, and quality of experience for guests--it is also important to climate change mitigation efforts. A healthy environment is a resilient environment, and as we face the challenges of the 21st century, we will need resilience more than ever.

Mahalo for the opportunity to testify,

LATE

Testimony in SUPPORT of:
HB433 Relating to Climate Change Mitigation

Submitted by:
Sam Dorios
3029 Lowrey Ave., H3116
Honolulu, HI 96822

EEP Hearing Held
February 4th, 2021

Dear Chair Lowen, Vice Chair Marten, Rep Hashem, Rep Todd, Rep Matayoshi, Rep Tokioka, Rep Perruso, and Rep Matsumoto,

My name is Sam Dorios; Systems and Complexity Associate for the Hawai‘i Leadership Forum, and I am testifying in *support of HB433, Relating to Climate Change Mitigation*.

Thanks to the efforts and vision of the Hawai‘i State Legislature, Hawai‘i has been a national and global leader in the fight against climate change and the battle to protect our natural resources. In 2017, we were the first state in the nation to enact legislation that implements portions of the Paris agreement. In 2018, Hawai‘i took strong action to protect our ocean resources and fragile marine ecosystems by banning sunscreens with oxybenzone and octinoxate.

Hawai‘i took these strides because we recognized one essential truth: we cannot disentangle our environment from our economy. If our natural resources degrade and decline, so does our overall quality of life and the strength of our economy. *Nature is our Taj Mahal*. Visitors rank nature and the ocean as the top two details that make their trip to Hawaii excellent (Hawaii Tourism Authority, 2017). It is our shared responsibility, both resident and visitor, to ensure the protection and survival of our greatest asset, so that our natural resources continues to protect and sustain future generations.

Unfortunately, the current funding for our reefs, forests, beaches, and watersheds has not kept pace with the stresses and impacts on our environment, such that Hawai‘i is running an estimated 40% deficit on its investment in nature (Conservation International, 2018). Each year that we delay adequately funding these efforts, the interest on that debt to nature grows. At the same time, *the COVID-19 pandemic has revealed the critical need to diversify our economy to withstand future shocks, rebuild a more sustainable tourism sector, and put people back to work in resilient careers*. For this reason, I support visitor green fee legislation, such as HB433, that *creates a solution to close this conservation budget gap, while increasing community resiliency by diversifying our economy and creating green jobs*.

With 75% of polled residents supporting a “visitor green fee” (Ward Research, 2020), this revenue generating mechanism to fund a resilient and green transition forward is a win-win for the community.

I propose an amendment in the bill to establish public private governance of the special fund to safeguard the fund towards conservation and climate mitigation efforts. Specifically, I encourage oversight from conservation, climate, and industry experts in the non-profit sectors. Research of over a dozen visitor green fee systems around the world demonstrates that public

private partnership governance models have been effective in ensuring the transparency and effectiveness of visitor green fee programs and their associated revenue uses (Conservation International, 2019).

Now more than ever, Hawai'i faces challenges beyond the environment, such as housing, healthcare, and affordability. As the State addresses many urgent issues, ***we urge legislators to continue to prioritize the environment as it underpins every aspect of life and wellbeing on our islands.***

Mahalo for the opportunity to testify,

Sam Dorios

LATE

Testimony in **SUPPORT** of:
HB433 Relating to Climate Change Mitigation

Submitted by:
John N. (Jack) Kittinger, PhD
5578 Kawaikui Street, Honolulu, HI 96821

EEP Hearing Held
February 4th, 2021

Dear Chair Lowen, Vice Chair Marten, Rep Hashem, Rep Todd, Rep Matayoshi, Rep Tokioka, Rep Perruso, and Rep Matsumoto,

My name is Jack Kittinger, and I am testifying in **support of HB433, Relating to Climate Change Mitigation.**

Thanks to the efforts and vision of the Hawai'i State Legislature, Hawai'i has been a national and global leader in the fight against climate change and the race to protect our natural resources. In 2017, we were the first state in the nation to enact legislation that implements portions of the Paris agreement. In 2018, Hawai'i took strong action to protect our ocean resources and fragile marine ecosystems by banning sunscreens with harmful agents. The state legislature has also championed our Aloha+ sustainability targets.

Hawai'i is a leader in the conservation movement globally, which was put on display at the World Conservation Congress four years ago. We made commitments at that convening to conserve and effectively manage 30% of our lands and waters. We must make good on that promise, which is critical to our culture and to our economy.

Our visitor industry and communities alike depend on a healthy environment. To put it simply, if our natural resources degrade and decline, so does our overall quality of life and the backbone of our tourism-based economy. Visitors rank nature and the ocean as the top two factors that make their trip to Hawaii excellent (Hawaii Tourism Authority, 2017). It is our shared responsibility, among both residents and visitors, to ensure the protection and survival of our greatest asset, so that our natural resources continues to protect and sustain future generations.

Unfortunately, the current funding for our reefs, forests, beaches, and watersheds has not kept pace with the stresses and impacts on our environment, such that Hawai'i is running an estimated 40% deficit on its investment in nature (Conservation International, 2018). Each year that we delay adequately funding these efforts, the interest on that debt to nature grows. At the same time, **the COVID-19 pandemic has revealed the critical need to diversify our economy to withstand future shocks, rebuild a more sustainable tourism sector, and put people back to work in resilient careers.** For this reason, I support visitor green fee legislation, such as HB433, that **creates a solution to close this conservation budget gap, while increasing community resiliency by diversifying our economy and creating green jobs.**

With 75% of polled residents supporting a "visitor green fee" (Ward Research, 2020), this revenue generating mechanism to fund a resilient and green transition forward is a win-win for the community.

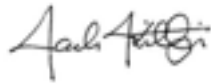
I strongly support this bill, and **propose an amendment in the bill to establish public private governance of the special fund** to safeguard the fund towards conservation and climate mitigation efforts. Specifically, I encourage oversight from conservation, climate, and industry experts in the non-profit sectors. Research of over a dozen visitor green fee systems around the world demonstrates that public private partnership governance models

have been effective in ensuring the transparency and effectiveness of visitor green fee programs and their associated revenue uses (Conservation International, 2019).

Now more than ever, Hawai'i faces challenges beyond the environment, such as housing, healthcare, and affordability. As the State addresses many urgent issues, ***we urge legislators to continue to prioritize the environment as it underpins every aspect of life and wellbeing on our islands.***

Mahalo for the opportunity to testify,

John N. (Jack) Kittinger, PhD

A handwritten signature in black ink, appearing to read "Jack Kittinger". The signature is written in a cursive, somewhat stylized font.

LATE

HB-433

Submitted on: 2/3/2021 2:34:20 PM

Testimony for EEP on 2/4/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Forest Frizzell	Individual	Support	No

Comments:

Dear Chair Lowen, Vice Chair Marten, Rep Hashem, Rep Todd, Rep Matayoshi, Rep Tokioka, Rep Perruso, and Rep Matsumoto,

My name is Forest Frizzell and I am testifying in **support of HB433, Relating to Climate Change Mitigation.**

Thanks to the efforts and vision of the Hawai'i State Legislature, Hawai'i has been a national and global leader in the fight against climate change and the battle to protect our natural resources. In 2017, we were the first state in the nation to enact legislation that implements portions of the Paris agreement. In 2018, Hawai'i took strong action to protect our ocean resources and fragile marine ecosystems by banning sunscreens with oxybenzone and octinoxate.

Hawai'i took these strides because we recognized one essential truth: we cannot disentangle our environment from our economy. If our natural resources degrade and decline, so does our overall quality of life and the strength of our economy. **Nature is our Taj Mahal.** Visitors rank nature and the ocean as the top two details that make their trip to Hawaii excellent (Hawaii Tourism Authority, 2017). It is our shared responsibility, both resident and visitor, to ensure the protection and survival of our greatest asset, so that our natural resources continues to protect and sustain future generations.

Unfortunately, the current funding for our reefs, forests, beaches, and watersheds has not kept pace with the stresses and impacts on our environment, such that Hawai'i is running an estimated 40% deficit on its investment in nature (Conservation International, 2018). Each year that we delay adequately funding these efforts, the interest on that debt to nature grows. At the same time, **the COVID-19 pandemic has revealed the critical need to diversify our economy to withstand future shocks, rebuild a more sustainable tourism sector, and put people back to work in resilient careers.** For this reason, I support visitor green fee legislation, such as HB433, that **creates a solution to close this conservation budget gap, while increasing community resiliency by diversifying our economy and creating green jobs.**

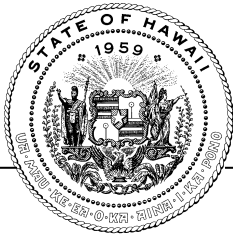
With 75% of polled residents supporting a “visitor green fee” (Ward Research, 2020), this revenue generating mechanism to fund a resilient and green transition forward is a win-win for the community.

I propose an amendment in the bill to establish public private governance of the special fund to safeguard the fund towards conservation and climate mitigation efforts. Specifically, I encourage oversight from conservation, climate, and industry experts in the non-profit sectors. Research of over a dozen visitor green fee systems around the world demonstrates that public private partnership governance models have been effective in ensuring the transparency and effectiveness of visitor green fee programs and their associated revenue uses (Conservation International, 2019).

Now more than ever, Hawai'i faces challenges beyond the environment, such as housing, healthcare, and affordability. As the State addresses many urgent issues, ***we urge legislators to continue to prioritize the environment as it underpins every aspect of life and wellbeing on our islands.***

Mahalo for the opportunity to testify,

Forest Frizzell



OFFICE OF PLANNING STATE OF HAWAII

LATE

DAVID Y. IGE
GOVERNOR

MARY ALICE EVANS
DIRECTOR
OFFICE OF PLANNING

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

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Web: <http://planning.hawaii.gov/>

Statement of
MARY ALICE EVANS
Director, Office of Planning
before the
HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

Thursday, February 4, 2021

9:00 AM

State Capitol, Conference Room 325

in consideration of
HB 433
RELATING TO CLIMATE CHANGE MITIGATION

Chair Lowen, Vice Chair Marten, and Members of the House Committee on Energy and Environmental Protection:

The Office of Planning (OP) supports the intent of this measure and offers the following comments on HB 433. This bill seeks to address a climate change mitigation impact fee on every customer who rents, leases, or utilizes a rental motor vehicle. Establishes the climate change mitigation special fund. Specifies that the impact fees collected shall be deposited to the credit of the general fund; provided that beginning July 1, 2024, the impact fees shall be deposited to the credit of the climate change mitigation special fund.

The Office of Planning notes that “climate change mitigation” is defined by the International Organization for Standardization (ISO) as “the human intervention to reduce greenhouse gas emissions.”¹

The State of Hawai‘i likewise established a strong foundation of greenhouse gas reduction policies through statutory targets to: establish a greenhouse gas emissions cap to match 1990 emissions levels by 2020; achieve a 100% Renewable Portfolio Standard by 2045; and achieve a Zero Emissions Clean Economy by 2045.

Climate Change Mitigation will require a multi-agency approach throughout the State of Hawai‘i, including but not limited to the hard work of following state agencies: the Departments of Accounting and General Services, Agriculture, Health, Land and Natural Resources, Transportation, the Public Utilities Commission, State Energy Office, the State Office of Planning, the Greenhouse Gas Sequestration Task Force, and the Climate Change Mitigation and Adaptation Commission. The potential funds collected by the proposed “climate change mitigation special fund” may likely be needed for more than one state agency to achieve our state’s many climate change mitigative and sustainability statutory targets and goals. Additionally, the funds collected by this legislation could also be used toward the proactive transition to supply zero emission vehicles as rental motor vehicles.

¹ The International Organization of Standards (ISO Guide 84:2020) “Guidelines for Addressing Climate Change in Standards.”

LATE

HB-433

Submitted on: 2/3/2021 5:40:51 PM

Testimony for EEP on 2/4/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dyson Chee	Individual	Support	No

Comments:

Aloha Chair Lowen, Vice-chair Marten, and members of the EEP Committee,

My name is Dyson Chee, I am an 18 year old resident of Ala Moana, and I am testifying in support of HB433.

Thanks to the efforts and vision of the Hawai'i State Legislature, Hawai'i has been a national and global leader in the fight against climate change and the battle to protect our natural resources. In 2017, we were the first state in the nation to enact legislation that implements portions of the Paris agreement. In 2018, Hawai'i took strong action to protect our ocean resources and fragile marine ecosystems by banning sunscreens with oxybenzone and octinoxate.

Hawai'i took these strides because we recognized one essential truth: we cannot disentangle our environment from our economy. If our natural resources degrade and decline, so does our overall quality of life and the strength of our economy. Nature is our Taj Mahal. Visitors rank nature and the ocean as the top two details that make their trip to Hawaii excellent (Hawaii Tourism Authority, 2017). It is our shared responsibility, both resident and visitor, to ensure the protection and survival of our greatest asset, so that our natural resources continues to protect and sustain future generations.

Unfortunately, the current funding for our reefs, forests, beaches, and watersheds has not kept pace with the stresses and impacts on our environment, such that Hawai'i is running an estimated 40% deficit on its investment in nature (Conservation International, 2018). Each year that we delay adequately funding these efforts, the interest on that debt to nature grows. At the same time, the COVID-19 pandemic has revealed the critical need to diversify our economy to withstand future shocks, rebuild a more sustainable tourism sector, and put people back to work in resilient careers. For this reason, I support visitor green fee legislation, such as HB433, that creates a

solution to close this conservation budget gap, while increasing community resiliency by diversifying our economy and creating green jobs.

The public and private conservation jobs that could be funded by a visitor green fee support a wide array of critical efforts necessary to ensure healthy and vibrant ecosystems, including: coral reef restoration, invasive species removal, native tree planting, campsite and trail maintenance, beach restoration and dune erosion recovery, ditch clearing, wildfire prevention and recovery, fishpond restoration and monitoring – to name a few examples. Positions range from entry-level to senior project management level jobs, providing opportunities for local residents at multiple levels. Growth opportunities in conservation careers create a future workforce that is equipped to handle natural disasters, support local food systems, and preserve the environment that sustains our communities and our visitor sector. These conservation careers not only supply jobs, but achieve critical work protecting invaluable natural capital while progressing us towards the State's 2030 Aloha+ Targets and 30x30 marine goals. We have less than a decade left to achieve these targets related to critical terrestrial, marine, and freshwater thresholds, yet there is no clear financing path to achieve these globally recognized ambitions. With 75% of polled residents supporting a "visitor green fee" (The Nature Conservancy, 2020), this revenue generating mechanism to fund a resilient and green transition forward is a win-win for the community.

I would like to propose an amendment in the bill that establishes public private governance of the special fund to safeguard the fund towards conservation and climate mitigation efforts. Specifically, I encourage oversight of conservation, climate, and industry experts in the non-profit sectors. Research of over a dozen visitor green fee systems around the world demonstrates that public private partnership governance models have been effective in ensuring the transparency and effectiveness of the visitor green fee and its associated revenue use. Now more than ever, Hawai'i faces challenges beyond the environment, such as housing, healthcare, and affordability. As the State addresses many urgent issues, we urge legislators to continue to prioritize the environment as it underpins every aspect of life and wellbeing on our islands.

Mahalo for the opportunity to testify,

Dyson Chee

LATE

HB-433

Submitted on: 2/3/2021 5:49:59 PM

Testimony for EEP on 2/4/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Fern Anuenue Holland	Individual	Support	No

Comments:

Strong support for this bill! Mahalo Representatives.

LATE



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON
ENERGY & ENVIRONMENTAL PROTECTION
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 325
THURSDAY, FEBRUARY 4, 2021 AT 9:00 A.M.**

To The Honorable Nicole E. Lowen, Chair;
The Honorable Lisa Marten, Vice Chair; and
Members of the Committee on Energy & Environmental Protection,

OPPOSITION HB433 RELATING TO CLIMATE CHANGE MITIGATION

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce, in the county most impacted by the COVID-19 pandemic in terms of our dependence on the visitor industry and corresponding rate of unemployment. I am writing share our opposition to HB433.

This bill seems to overlap with SB646, which we support as the additional funds will go towards infrastructure issues. We do not believe we should be heaping on layers of additional taxes and fees onto car rentals.

Further, we have concerns with some of the language in this bill as it seems to go beyond rental cars to encompass tour companies, shuttles to hotels, taxis and more in Section (e) (2).

Mahalo for your consideration of our testimony and we ask that you defer this bill.

Sincerely,

Pamela Tumpap

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

LATE

HB-433

Submitted on: 2/3/2021 6:53:13 PM

Testimony for EEP on 2/4/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Natalie Wohner	Individual	Support	No

Comments:

Dear members of the Energy and Environmental Protection Committee, I am a resident of Manoa and I am in support of HB 433 related to climate change mitigation. Charging visitors a fee is common in many countries, and using this fee to finance environmental projects and create green jobs would help us diversify our economy. Mahalo for considering my testimony, Natalie Wohner

LATE



Environmental Caucus of The Democratic Party of Hawai'i

Thursday, February 3, 2021, 9:00 am
House Bill 433 – Relating to Climate Change Mitigation
Testifying in Support, with an amendment

Me ke Aloha, Chair Lowen, Vice-Chair Marten, and Energy and Environmental Protection Committee members:

While Hawaii struggles to transition from fossil fuels to renewable fuels, a major portion of the total emissions of greenhouse gases continues to be from transportation vehicles, producing very nearly half the entire emissions on O'ahu.

An "invisible burden" in addition to this contribution to global warming is the even greater proportionate impact of tourism on infrastructure, ecosystems, cultural treasures, community assets, and community life. Increasingly, local residents, even those who are dependent upon jobs created thanks to the tourism industry, are feeling overwhelmed by the impacts of tourism on our beaches, trails, roads, real estate, housing, and shopping centers.

As a consequence of depressed tourism due to the COVID-19 pandemic, local residents feel not only the hardship of lost jobs and essential revenues, but a tremendous relief in having our islands back. Many are reluctant to reopen tourism in the same way it was pre-pandemic, arguing that "build back better, must mean a rethinking of this industry that is critical to our economy.

HB433 offers a solution to this invisible burden, by charging an impact fee to offset both climate change impacts from fossil fuel emissions and local habitability impacts from tourism. The amount of fees are not yet established, but are to be deposited in a special climate change mitigation impact fund to be expended by the Department of Land and Natural Resources in its mission to protect habitats from overuse and negligent use.

The Environmental Caucus supports HB433, with the admonition that the perennially underfunded and understaffed department not be further defunded due to access to this special fund. The legislature clearly intends this fund to be supplemental to normal funding, which is already inadequate the department's mission. The Caucus suggests that the bill give additional attention to the planning for use of these funds, to account for their use and to evaluate their effectiveness as a supplemental source for strengthening and expanding existing programs for the protection of our natural resources and ecosystem health. The Caucus recommends that an evaluative report be provided to the legislature on a regular basis, distinguishing between the effectiveness of current funding as opposed to the application of additional impact special funds, to assist in determining whether the impact fees assessed are fixed at an appropriate level. The Caucus does not assume that separate programs are necessary, but that the overall effectiveness of the department's programs be evaluated in light of supplemental funds made available thereby, and evaluated in terms of whether the fee is proportionate to the burdens the additional traffic on our islands generate.

Mahalo for this opportunity to address this issue.

Charley Ice and Edward Bohlen, Co-Chairs, Energy-Climate Action Committee, Environmental Caucus of the Democratic Party.

LATE

HB-433

Submitted on: 2/4/2021 9:29:02 AM

Testimony for EEP on 2/4/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Nicole Chatterson	Individual	Support	No

Comments:

Aloha Chair Lowen and EEP

A green fee would go a long way in helping us reach our climate and sustainability goals and mitigate the impact of over-tourism. We support this bill and ask you to as well.

Best,

Nicole