
A BILL FOR AN ACT

RELATING TO THE TRANSIENT ACCOMMODATIONS TAX.

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

1 SECTION 1. The legislature finds that Hawaii's natural
2 resources, including reefs, beaches, oceans, forests, streams,
3 estuaries, and shorelines, provide irreplaceable and invaluable
4 benefits to residents, visitors, and the global community at
5 large. These ecosystems are vital to the State's visitor
6 industry and the resident community's identity.

7 The legislature also finds that the State's vital
8 ecosystems and the resources they harbor continue to decline due
9 to the lack of adequate implementation of proven and effective
10 conservation approaches and rising pressures of climate change.

11 The legislature further finds that Hawaii's natural
12 environment faces significant environmental pressure from the
13 heavy use it receives from persons traveling from throughout the
14 world to enjoy the State's natural beauty and resources and the
15 State's residents. Continuing underinvestment in the protection
16 and care of natural resources poses a significant liability to
17 the stability of the State's natural systems, including water



1 quality, economic resilience, and health and safety of the
2 ecosystem.

3 Hawaii residents already contribute to the protection and
4 management of the State's natural resources through taxes,
5 environmental care and management, subsistence and cultural
6 practices, and civic responsibility driven by values and
7 practices embodied in the state constitution; however, with
8 escalating impacts, there is an immediate need for additional
9 resources to protect, restore, and manage natural and open space
10 resources. It is reasonable and timely to create a permanent
11 fund to protect, restore, and care for these resources.

12 The legislature believes that it is necessary and
13 appropriate to allocate transient accommodations tax revenues to
14 help offset the impacts and ensure that a positive environmental
15 legacy is left for future generations. A natural resource
16 management special fund with commission oversight will ensure
17 disbursements are targeted to address the purposes of the fund.

18 The purpose of this Act is to:

19 (1) Establish a natural resource management special fund
20 for the natural resource management commission to
21 address impacts to natural resources and management of



1 natural and open space resources that are important to
2 residents and the visitor industry;

3 (2) Establish a natural resource management commission to
4 guide and approve the disbursement of moneys deposited
5 into the natural resource management special fund;

6 (3) Allocate annually, \$30,000,000 in transient
7 accommodations tax revenues to the natural resource
8 management special fund;

9 (4) Allocate \$60,000,000 in transient accommodations tax
10 revenues to the Hawaii tourism authority; and

11 (5) Repeal the transient accommodations tax allocation of
12 \$3,000,000 to the special land and development fund.

13 SECTION 2. Chapter 201B, Hawaii Revised Statutes, is
14 amended by adding three new sections to be appropriately
15 designated and to read as follows:

16 **"§201B-A Natural resource management special fund;**
17 **establishment.** (a) There is established within the state
18 treasury the natural resource management special fund, which
19 shall be expended by the natural resource management commission
20 to address impacts to natural resources and manage natural and



1 open space resources that are important to residents and the
2 visitor industry, including:

3 (1) Offsetting adverse environmental impacts caused by
4 resident and visitor use and ensuring that the State's
5 natural and open space resources are maintained for
6 continued use by visitors and future generations, such
7 as projects that directly restore, enhance, and
8 protect, in perpetuity, Hawaii's state-owned natural
9 and open space resources and the State's unique and
10 vulnerable ecosystems;

11 (2) Protecting, restoring, or enhancing terrestrial or
12 marine natural resources;

13 (3) Increasing the resilience and adaptation of Hawaii's
14 natural and open space resources with environmentally
15 beneficial strategies to reduce the adverse impacts of
16 climate change, including coastal erosion, sea level
17 rise, ocean acidification, coral bleaching,
18 destruction of reefs, and other impacts;

19 (4) Removing and controlling invasive species and
20 propagating and planting native species; and



(5) Addressing deterioration and removal of dilapidated, condemned, obsolete, or unused buildings or structures located on state land that could otherwise be used as a public park or open space, particularly when the land is in close proximity to the ocean or coastline and can be revitalized for public use and enjoyment.

(b) The following moneys shall be deposited into the natural resource management special fund:

(1) Transient accommodations tax revenues allocated to the natural resource management special fund pursuant to section 237D-6.5(b);

(2) Appropriations made by the legislature; and

(3) Grants and gifts made to the fund.

§201B-B Natural resource management commission; establishment; powers; duties. (a) The natural resource management commission shall be placed within the Hawaii tourism authority for administrative purposes and shall be composed of:

(1) The following ex officio, voting members:

(A) The chief executive officer of the Hawaii tourism authority or the chief executive officer's



1 designee, who shall serve as the chairperson of
2 the commission;

3 (B) The director of business, economic development,
4 and tourism or the director's designee;

5 (C) The chairperson of the board of land and natural
6 resources or the chairperson's designee;

7 (D) The chairperson of the board of agriculture or
8 the chairperson's designee;

9 (E) The director of the office of planning and
10 sustainable development or the director's
11 designee; and

12 (F) The head of each county's visitors bureau or, if
13 none, a representative of each county's visitor
14 industry, to be selected by the respective mayor;
15 and

16 (2) The following voting members, who shall be nominated
17 by the officials provided in this paragraph and shall
18 be appointed by the governor in the manner prescribed
19 in section 26-34:

20 (A) One representative of a nonprofit organization
21 having expertise in impacts to natural resources



1 and the management of natural and open space
2 resources that are important to residents and the
3 visitor industry, who shall be nominated by the
4 chairperson of the commission;

5 (B) One representative of a nonprofit organization
6 having expertise in addressing deterioration and
7 removal of dilapidated, condemned, obsolete, or
8 unused buildings or structures located on state
9 land that could otherwise be used as a public
10 park or open space, particularly when the land is
11 in close proximity to the ocean or coastline and
12 can be revitalized for public use and enjoyment,
13 who shall be nominated by the director of
14 business, economic development, and tourism;

15 (C) One representative of a nonprofit organization
16 having expertise in the protection, restoration,
17 and care of terrestrial natural resources, who
18 shall be nominated by the chairperson of the
19 board of land and natural resources;

20 (D) One representative of a nonprofit organization
21 having expertise in the protection, restoration,



1 and care of marine and coastal natural resources,
2 who shall be nominated by the chairperson of the
3 board of land and natural resources;

4 (E) One representative of a nonprofit organization
5 having expertise in climate change mitigation and
6 resiliency, who shall be nominated by the
7 director of the office of planning and
8 sustainable development;

9 (F) One representative from the Native Hawaiian
10 community who has expertise in the protection,
11 restoration, care, and interpretation of native
12 Hawaiian cultural resources, who shall be
13 nominated by the chairperson of the commission;

14 (G) One representative between the age of eighteen
15 and twenty-five years, inclusive, who works or
16 has worked in the field of environmental
17 sustainability or restoration, or both, who shall
18 be nominated by the chairperson of the
19 commission; and



1 (H) One representative from the visitor sector and
2 tourism industry, who shall be nominated by the
3 chairperson of the commission.

4 (b) A simple majority of the members shall establish a
5 quorum.

6 (c) The members shall serve without compensation but shall
7 be reimbursed for expenses, including travel expenses, necessary
8 for the performance of their duties.

9 (d) The natural resource management commission may hire
10 staff necessary to effectuate the purposes of this section. The
11 staff, at a minimum, shall include one full-time equivalent
12 permanent manager position and one full-time equivalent
13 permanent clerical position.

14 (e) The natural resource management commission shall:

15 (1) Expend no more than three per cent of the annual
16 allocation of transient accommodations tax revenues to
17 the natural resource management special fund for
18 administrative and staffing expenses;

19 (2) Expend revenues deposited into the natural resource
20 management special fund through the provision of
21 grants to the counties and non-profit organizations



1 for the purposes of the fund; provided that no more
2 than five per cent of the moneys disbursed for the
3 grants from the fund may be used for personnel and
4 other administrative costs; and

5 (3) Promote transparency and accountability in determining
6 the specific uses for and disbursements from the fund,
7 subject to the uses authorized under section 201B-A.

8 **§201B-C Report to legislature.** (a) No later than twenty
9 days prior to the convening of the regular session of 2025 and
10 each year thereafter, the Hawaii tourism authority shall submit
11 a report to the legislature.

12 (b) The report shall contain information on ways that the
13 fund addressed impacts to natural resources and managed natural
14 and open space resources that are important to residents and the
15 visitor industry during the previous fiscal year and the
16 benefits to the State's natural and open space resources that
17 accrue or will accrue from those expenditures.

18 (c) The Hawaii tourism authority shall also publish the
19 annual reports on its website."

20 SECTION 3. Section 237D-6.5, Hawaii Revised Statutes, is
21 amended by amending subsection (b) to read as follows:



1 "(b) Except for the revenues collected pursuant to section
2 237D-2(e), revenues collected under this chapter shall be
3 distributed in the following priority, with the excess revenues
4 to be deposited into the general fund:

5 (1) \$1,500,000 shall be allocated to the Turtle Bay
6 conservation easement special fund beginning July 1,
7 2015, for the reimbursement to the state general fund
8 of debt service on reimbursable general obligation
9 bonds, including ongoing expenses related to the
10 issuance of the bonds, the proceeds of which were used
11 to acquire the conservation easement and other real
12 property interests in Turtle Bay, Oahu, for the
13 protection, preservation, and enhancement of natural
14 resources important to the State, until the bonds are
15 fully amortized;

16 (2) \$11,000,000 shall be allocated to the convention
17 center enterprise special fund established under
18 section 201B-8;

19 (3) An allocation shall be deposited into the tourism
20 emergency special fund, established in section 201B-
21 10, in a manner sufficient to maintain a fund balance



1 of \$5,000,000 in the tourism emergency special fund;

2 [and

3 ~~(4) \$3,000,000 shall be allocated to the special land and~~
4 ~~development fund established under section 171-19;~~
5 ~~provided that the allocation shall be expended in~~
6 ~~accordance with the Hawaii tourism authority strategie~~
7 ~~plan for:~~

8 ~~(A) The protection, preservation, maintenance, and~~
9 ~~enhancement of natural resources, including~~
10 ~~beaches, important to the visitor industry;~~

11 ~~(B) Planning, construction, and repair of facilities;~~
12 ~~and~~

13 ~~(C) Operation and maintenance costs of public lands,~~
14 ~~including beaches, connected with enhancing the~~
15 ~~visitor experience.]~~

16 (4) \$30,000,000 shall be allocated to the natural resource
17 management special fund established under section
18 201B-A; and

19 (5) \$60,000,000 shall be allocated to the Hawaii tourism
20 authority.



1 All transient accommodations taxes shall be paid into the
2 state treasury each month within ten days after collection and
3 shall be kept by the state director of finance in special
4 accounts for distribution as provided in this subsection."

5 SECTION 4. There is appropriated out of the natural
6 resource management special fund the sum of \$30,000,000 or so
7 much thereof as may be necessary for fiscal year 2022-2023 for:

8 (1) The purposes of the fund established under section
9 201B-A, Hawaii Revised Statutes, established by this
10 Act; and

11 (2) Administrative and staffing expenses for the natural
12 resource management commission to include one full-
13 time equivalent (1.0 FTE) permanent manager position
14 and one full-time equivalent (1.0 FTE) permanent
15 clerical position.

16 The sum appropriated shall be expended by the natural
17 resource management commission for the purposes of this Act.

18 SECTION 5. There is appropriated out of the transient
19 accommodations tax revenues the sum of \$ or so much
20 thereof as may be necessary for fiscal year 2022-2023 for
21 operating expenses of the Hawaii tourism authority.



1 The sum appropriated shall be expended by the Hawaii
2 tourism authority for its operations.

3 SECTION 6. In codifying the new sections added by section
4 2 of this Act, the revisor of statutes shall substitute
5 appropriate section numbers for the letters used in designating
6 the new sections of this Act.

7 SECTION 7. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 8. This Act shall take effect on July 1, 2050;
10 provided that the amendments made to section 237D-6.5(b), Hawaii
11 Revised Statutes, by section 3 of this Act shall not be repealed
12 when that section is reenacted on June 30, 2023, pursuant to:

13 (1) Section 9 of Act 229, Session Laws of Hawaii 2021; and
14 (2) The provisions of H.B. No. 2049, if passed in any
15 version by the legislature during the regular session
16 of 2022 whether before, on, or after the effective
17 date of this Act, that preserve the amendments made to
18 section 237D-6.5(b), Hawaii Revised Statutes, by
19 section 13 of Act 1, Special Session Laws of Hawaii
20 2021.



Report Title:

Transient Accommodations Tax; Hawaii Tourism Authority; Tourism;
Natural Resource Management; Fund; Commission; Report;
Appropriation; Positions

Description:

Establishes the natural resource management special fund and authorizes uses for moneys in the fund. Establishes a natural resource management commission to guide and approve the disbursement of moneys deposited into the fund. Allocates transient accommodations tax revenues to the natural resource management special fund. Allocates transient accommodations tax revenues to the Hawaii tourism authority. Repeals the allocation of transient accommodations tax revenues to the special land and development fund. Appropriates funds from the natural resource management special fund and for operating expenses of the Hawaii tourism authority. Effective 7/1/2050.
(PROPOSED HD1)

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

