



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTY-FIRST LEGISLATURE, 2022**

ON THE FOLLOWING MEASURE:

H.B. NO. 1443, RELATING TO CLIMATE CHANGE MITIGATION.

BEFORE THE:

HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

DATE: Thursday, February 10, 2022 **TIME:** 9:00 a.m.

LOCATION: State Capitol, Via Videoconference

TESTIFIER(S): Holly T. Shikada, Attorney General, or
Julie H. China, Deputy Attorney General

Chair Lowen and Members of the Committee:

The Department of the Attorney General offers the following comments.

The purpose of the bill is to assess a climate change mitigation impact fee for persons renting, leasing, or utilizing tourism-related vehicles in the State, to be used toward protecting Hawaii's natural resources and environment, which are essential to the quality of life of residents and the State's tourism-based economy. The bill will assess a daily climate mitigation impact fee on every motor vehicle rental. The bill also establishes within the state treasury, a climate change mitigation special fund. The fees generated by the bill will be deposited into the general fund from July 1, 2022, until July 1, 2024, and, thereafter, will be deposited into the climate change mitigation special fund.

We believe that the fee cannot be deposited into the general fund during the two-year period of July 1, 2022, to June 30, 2024 (page 3, lines 6 to 8) because fees can only be used for the purpose for which they are collected. *State v. Medeiros*, 89 Hawai'i 361, 366, 973 P.2d 736, 741 (1999). In this case the purpose of the fee is to offset the impacts of rental motor vehicles on the environment. There is no explanation of how depositing the fees into the general fund will be used to offset such impacts.

One example of how fees may be spent is the Hanauma Bay Nature Preserve entrance fee that was litigated in *Daly v. Harris*, 215 F. Supp. 2d 1098 (Haw. 2002), and affirmed by the Ninth Circuit Court of Appeals, 117 Fed. Appx. 498 (9th Cir. 2004). *Daly* involved the \$3 user fee for non-Hawaii residents to enter Hanauma Bay. The proceeds

are deposited into the Hanauma Bay Nature Preserve fund and money from the fund is designated for four specific purposes: (1) for the operation, maintenance, and improvement of the Hanauma Bay Nature Preserve; (2) for educational and orientation programs for visitors to the preserve; (3) for a carrying capacity study of the preserve and other studies relating to the environmental condition of the preserve; and (4) if funds are available, for the operation, maintenance, and improvement of park facilities at Koko Head District Park, Maunalua Bay Beach Park, Koko Head Rifle Range, and Koko Crater Botanical Garden. *Daly*, 215 F. Supp. 2d at 1101-1102. The court upheld the Hanauma Bay entrance fee because it is being used to preserve Hanauma Bay.

To remedy the issue noted above, we recommend proposed section 171-A(c), Hawaii Revised Statutes, be amended to have all of the fees deposited to the credit of the climate change mitigation special fund and eliminate the deposit of any of the fees into the general fund (page 3, lines 6-7). We suggest the following new wording:

(c) All fees collected pursuant to subsection (a) shall be deposited to the credit of the climate change mitigation special fund established pursuant to section 171-B.

Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

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

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. 1443

February 10, 2022
9:00 a.m.
Room 325 and Videoconference

RELATING TO CLIMATE CHANGE MITIGATION

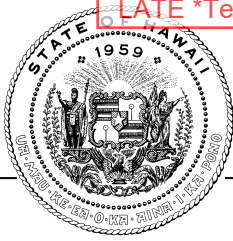
The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill (H.B.) No. 1443: assesses a climate change mitigation impact fee for customers renting, leasing, or utilizing a rental motor vehicle to support climate change mitigation, environmental management, and natural resources protection; and creates the Climate Change Mitigation Special Fund for this purpose that would generate revenues beginning July 1, 2024, through climate change mitigation impact fees, legislative appropriations, donations, and contributions. H.B. No. 1443 does not appropriate any funds.

As a matter of general policy, B&F 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. 1433, it is difficult to determine whether the proposed special fund would be self-sustaining or demonstrates a clear nexus between the benefits sought and charges made upon users.

Thank you for your consideration of our comments.



STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT

DAVID Y. IGE
GOVERNOR

MARY ALICE EVANS
DIRECTOR

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

Telephone: (808) 587-2846
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Statement of
MARY ALICE EVANS
Director, Office of Planning and Sustainable Development
before the
HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION
Thursday, February 10, 2022
9:00 AM
State Capitol, Conference Room 325

in consideration of
HB 1443
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 and Sustainable Development (OPSD) **offers the following comments** on HB 1443. This bill seeks to assess a climate change mitigation impact fee on every customer who rents, leases, or utilizes a rental motor vehicle. Establishes a climate change mitigation special fund within the Department of Land and Natural Resources, 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.

The Office of Planning and Sustainable Development 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.

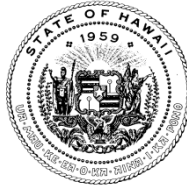
Climate change mitigation will require a multi-agency approach throughout the State of Hawai‘i, including but not limited to the hard work of following state agencies:

- Department of Accounting and General Services,
- Department of Agriculture,
- Department of Health,
- Department of Land and Natural Resources,
- Department of Transportation,
- State Office of Planning and Sustainable Development,
- Public Utilities Commission,
- State Energy Office,
- State Greenhouse Gas Sequestration Task Force, and the
- Climate Change Mitigation and Adaptation Commission.

The funds collected by the proposed “climate change mitigation special fund” will be needed for more than one state agency to achieve our state’s many climate change mitigative and sustainability statutory targets and goals.

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

DAVID Y. IGE
GOVERNOR



TESTIMONY BY:

JADE T. BUTAY
DIRECTOR

Deputy Directors
ROSS M. HIGASHI
EDUARDO P. MANGLALLAN
PATRICK H. MCCAIN
EDWIN H. SNIFFEN

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

February 10, 2022
9:00 A.M.
State Capitol, Teleconference

**H.B. No. 1443
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 vehicle.

The DOT agrees with the intent of this bill to help with climate change mitigation. However, any additional fees to on-airport rental car users may decrease rental car transactions. This will result in lower revenue for other assessed charges on rental car transactions such as the Motor Vehicle Surcharge Tax, Vehicle License Fee and General Excise Tax.

Also, at this time, there aren't many green alternatives to rental vehicles such as rental of electric vehicles and a robust public transit system.

Thank you for the opportunity to provide testimony.

Council Chair
Alice L. Lee

Vice-Chair
Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Gabe Johnson
Kelly Takaya King
Michael J. Molina
Tamara Paltin
Shane M. Sinenci
Yuki Lei K. Sugimura



Director of Council Services
Traci N. T. Fujita, Esq.

Deputy Director of Council Services
David M. Raatz, Jr., Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

February 8, 2022

TO: Honorable Nicole E. Lowen, Chair
House Committee on Energy and Environmental Protection

FROM: Alice L. Lee
Council Chair

DATE: February 8, 2022

SUBJECT: **SUPPORT OF HB 1443, RELATING TO CLIMATE CHANGE MITIGATION**

Thank you for the opportunity to testify in **SUPPORT** of this important measure. The purpose of this measure is to assess a climate change mitigation impact fee for persons renting, leasing, or utilizing tourism-related vehicles in the State, to be used toward protecting natural resources.

This measure is part of the Maui County Council Legislative Package. Therefore, I offer this testimony on the Maui County Council's behalf.

The Maui County Council **SUPPORTS** this measure for the following reasons:

1. Ground transportation contributes significantly to Hawaii's share of greenhouse gas emissions. The fee to be established by this measure would incentivize more sustainable forms of transportation and mitigate the effects of climate change.
2. Managing the impacts of tourism on climate change and the environment are essential to the State and counties.
3. This measure is a form of tourism management that can help to ensure quality of life for residents, the health of the environment, and the continued value of the visitor experience.

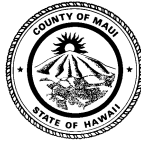
For the foregoing reasons, the Maui County Council **SUPPORTS** this measure.

Council Chair
Alice L. Lee

Vice-Chair
Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Gabe Johnson
Kelly Takaya King
Michael J. Molina
Tamara Paltin
Shane M. Sinenci
Yuki Lei K. Sugimura



Director of Council Services
Traci N. T. Fujita, Esq.

Deputy Director of Council Services
David M. Raatz, Jr., Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

February 8, 2022

TO: Committee on Energy & Environmental Protection
Representative Nicole E. Lowen, Chair
Representative Lisa Marten, Vice Chair

FROM: Kelly Takaya King, Maui County Councilmember

HEARING: February 10, 2022 at 9:00 a.m., House Conference Room 325 via
Videoconference

SUBJECT: **Testimony in support of HB1443 RELATING TO CLIMATE
CHANGE MITIGATION**

Dear Honorable Chair Lowen, Vice Chair Marten, and Committee Members,

I would like to voice my support for HB1443 which will assess an impact fee on customers who rent, lease or utilize a rental motor vehicle and establish a climate change mitigation special fund. This measure will help to address some of the impacts of tourism which are burdening Hawai'i's infrastructure and natural environment and significantly contributing to greenhouse gas emissions and climate change.

By implementing fees on rental vehicles, the State will place the economic impact where it can be best absorbed, and at the same time encourage less polluting forms of transportation such as mass transit. Appropriately, the resulting fees will be used to manage, plan, conserve the environment and protect the State's natural resources and systems, address climate change mitigation, create environmental awareness and education, and sustainable tourism practices. This is a needed and sensible measure that deserves support.

As a member of the Maui County Council who chairs the Climate Action, Resilience and Environment Committee, a member of the Local Government Advisory Committee to the U.S. Environmental Protection Agency, and a board member of ICLEI USA, I work on the county, state, national and international

February 8, 2022
Page 2

levels to combat climate change and to protect the environment. Like all of you, I am acutely aware of the need for meaningful and immediate action to address the growing and varied threats to our State's natural environment, and this bill presents an opportunity to raise funds to be used for the some of the problems so many rental vehicles create.

Please pass HB1443.

Mahalo nui loa,

A handwritten signature in cursive script that reads "Kelly T. King".

Kelly Takaya King, Maui County Council
Chair, Climate Action, Resilience and Environment Committee
Vice Chair, Hawai'i State Association of Counties



To: Representative Nicole E. Lowen, Chair
Representative Lisa Marten, Vice Chair
House Committee on Energy & Environmental Protection

From: Mark Sektnan, Vice President

Re: **HB 1443 – Relating to Climate Change Mitigation**
APCIA Position: Oppose

Date: Thursday, February 10, 2022
9:00 a.m., Via Videoconference

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

The American Property Casualty Insurance Association of America (APCIA) is **opposed to HB 1443, as introduced**. The bill would assess a climate change mitigation impact fee on *every* customer who rents, leases, or utilizes a rental motor vehicle. Representing nearly 60 percent of the U.S. property casualty insurance market, the American Property Casualty Insurance Association (APCIA) promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. APCIA members represent all sizes, structures, and regions, which protect families, communities, and businesses in the U.S. and across the globe.

APCIA requests the bill be amended to exclude rental cars rented by local residents, including insurance replacement rentals which are being driven in lieu of the damaged vehicle. Rental reimbursement coverage under an insurance policy has a specific limit and this additional fee could be passed on to the Hawaii resident who is trying to get their car fixed. This bill could ultimately be reflected in insurance premiums as a back door tax on auto insurance consumers.

For these reasons, APCIA asks the committee to **amend the bill** and exempt residents of Hawaii from the provisions of the bill.



Robert Muhs, Esq.
Vice President Government Affairs
T - 973 496-3532
Robert.muhs@avisbudget.com

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

Thursday, February 10, 2022; 9:00 a.m.
Via Videoconference

RE: **HB 1443 Relating to Climate Change Mitigation – In Opposition**

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

Avis Budget respectfully opposes HB 1443, which assesses a climate change mitigation impact fee on every customer who rents, leases or utilizes a rental motor vehicle and establishes a climate change mitigation special fund.

Avis Budget is aligned with the UN Sustainable Development Goals in climate change by advancing low carbon mobility solutions and community resilience. We are committed to sustainable transportation solutions. Avis Budget optimizes our fleet by leveraging connected car technology and have introduced more fuel efficient and low emission vehicles into the fleet as well.

In 2019, the legislature increased the amount of the rental motor vehicle surcharge tax from \$3.00 to \$5.00. Last session, the legislature passed HB 485 CD1 (Act 237) which further increased the tax by \$.50 each year from 1/1/2022 to 12/31/2027. In addition, Hawaii rental car customers pay a rental motor vehicle customer facility charge of \$4.50 per day. The total surcharge amount before GET is among the highest in the country.

Avis Budget Group's Hawaii operations suffered a significant revenue loss due to the pandemic and we are still recovering. An additional fee, which is unspecified in the bill, could lead to an overall decline of transaction days, adding to our financial hardship. We request that the industry be allowed to fully recover before a new additional fee be considered.

Thank you for the opportunity to submit testimony.



Maui Hotel & Lodging
ASSOCIATION

Testimony of
Lisa H. Paulson
Executive Director
Maui Hotel & Lodging Association

Committee on Energy and Environmental Protection
House Bill 1443: Relating to Climate Change Mitigation

February 10, 2022, 9:00 am
Conference Room 325

The Maui Hotel & Lodging Association is the legislative arm of the visitor industry for Maui County. We represent over 160 property and allied business members and over 19,000 rooms. **MHLA opposes House Bill 1443**, which assesses a climate change mitigation impact fee on every customer who rents, leases, or utilizes a rental motor vehicle. This will establish yet another fee or tax assessed to residents and tourists alike. As it is currently written, this measure would also affect the ground transportation rental industry and unintentionally impact Hawai'i residents who look to rent vehicles for various reasons.

Suppose the measure intends to offset the amount of carbon dioxide and greenhouse gases in our atmosphere. In that case, any fees should be more fairly levied against the entire driving populace rather than a small section of the business sector.

Hawaii's tourism industry has already engaged and focused on sustainability and conservation practices. For years, businesses in and around tourism in Hawai'i have executed projects and changed policies to be better stewards of our environment and will continue to do so without implementing these types of measures.

Establishing a new fee aimed at visitors will further cement Hawaii's status among the costliest places to run a business. It would be ill-timed as the industry continues its efforts to recover from the economic effects of the COVID-19 pandemic.

Thank you for the opportunity to provide this testimony.



Email: communications@ulupono.com

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
Thursday, February 10, 2022 — 9:00 a.m.

Ulupono Initiative supports HB 1443, Relating to Climate Change Mitigation.

Dear Chair Lowen and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food; renewable energy and clean transportation; and better management of freshwater and waste.

Ulupono supports HB 1443, which assesses a climate change mitigation impact fee on every customer who rents, leases, or utilizes a rental motor vehicle; establishes a climate change mitigation special fund; specifies that the impact fees collected shall be deposited to the credit of the general fund; and, the impact fees shall be deposited to the credit of the climate change mitigation special fund beginning 7/1/2024.

Ulupono supports the State's efforts to better manage its natural resources through additional funding. The Aloha + Challenge guides the State to implement sustainable change by setting goals across six priority areas – clean energy transportation, local agriculture, natural resource management, solid waste reduction, green workforce and education, and smart sustainable communities.

While this measure identifies an impact fee placed on visitors to support natural resource management, we believe it may be in the State's interest to expand the eligible funding categories include those dealing with visitors travel to and within our natural resources. Specifically, it is important to ensure that the transportation options to our parks and beaches aren't inadvertently contributing to our overall statewide emissions. This could include projects such as improving bicycle, pedestrian, and transit access to our natural resources, improving electric vehicle charging infrastructure for visitor transportation vehicles, etc. As one of the larger documented impacts of the visitor industry, it is important that these types of projects be included as needed to help our natural resources thrive.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

Investing in a Sustainable Hawai'i



HB 1443, RELATING TO CLIMATE CHANGE MITIGATION

FEBRUARY 10, 2022 · HOUSE ENERGY AND ENVIRONMENTAL PROTECTION COMMITTEE · CHAIR REP. NICOLE E. LOWEN

POSITION: Support.

RATIONALE: Imua Alliance supports HB 1443, 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 a 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 7/1/2024 the 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



SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: February 9, 2022

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

FROM: Matthew Tsujimura

RE: **H.B. 1443, Relating to Climate Change Mitigation**
Hearing Date: Thursday, February 10, 2022 at 9:00 a.m.
Conference Room: 325

Dear Chair Lowen, Vice Chair Marten, and members of the House Committee on Energy & 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. 1443, 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.

As it is, the state already collects from rental car customers substantial sums of money to be used for state purposes. Just last year, the Governor signed Act 237 into law which increased the rental motor vehicle surcharge tax from \$5 to \$8. H.B. 1443 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.

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. 1443 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.

Hawaii Electric Vehicle Association

hawaiiev.org
info@hawaiieva.com



February 9, 2022

Hawaii Electric Vehicle Association supports HB1443 (RELATING TO CLIMATE CHANGE)

Dear Chairs Moriwaki and Lee, Vice-Chairs Dela Cruz and Inouye, and members of the Government Operations and Transportation Committees,

Hawaii Electric Vehicle Association supports HB1443 and offers a recommendation. HB1443 assesses a climate change mitigation impact fee on every customer who rents, leases, or utilizes a rental motor vehicle and establishes a climate change mitigation special fund.

In order to further Hawaii's net-zero emission goals, we **recommend** that electric vehicles are exempted, or subject to a lower impact fee schedule, for a limited period beyond the start of program. This will serve to encourage the adoption of rental EVs by rental car companies and car renters.

Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to be a stylized name.

President
Hawaii EV Association

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.



HAWAI'I LODGING & TOURISM
A S S O C I A T I O N

Testimony of
Mufi Hannemann
President & CEO
Hawai'i Lodging & Tourism Association

House Committee on Energy & Environmental Protection
House Bill 1443: Relating to Climate Change Mitigation
February 10, 2022

Chair Lowen, and members of the Committee, mahalo for the opportunity to submit testimony on behalf of the Hawai'i Lodging & Tourism Association, the state's largest private sector visitor industry organization.

The Hawai'i Lodging & Tourism Association—nearly 700 members strong, representing more than 50,000 hotel rooms and nearly 40,000 lodging workers—opposes House Bill 1443 as it would establish yet another fee or tax that would be assessed to residents and tourists alike. As it is currently written, this measure would also disproportionately affect the ground transportation rental industry and unintentionally impact Hawai'i residents who look to rent vehicles for a variety of reasons.

While the measure's preamble notes that the "legislature recognizes that fees with an environmental focus are meant to manage the impacts of tourism... [and] are essential to the State's management efforts," the measure would inevitably affect local customers who rent cars for various reasons such as moving homes or transporting large items on an irregular basis. If the measure's intent is to solely offset the amount of carbon dioxide and greenhouse gases in our atmosphere, any fees should be more fairly levied against the entire driving populace rather than a small section of the business sector.

As it stands, the local tourism industry has maintained a keen focus on sustainability and conservation practices. For years, businesses in and around tourism in Hawai'i have executed projects and changed policies to be better stewards of our environment, and we will continue to do so without the implementation of these types of measures.

Moreover, establishing a new fee aimed at visitors also would further cement Hawaii's status as being among the costliest places to run a business and would be ill-timed as the industry continues its efforts to recover from the economic effects of the COVID-19 pandemic.

For these reasons, HLTA opposes House Bill 1443.

Mahalo for the opportunity to provide this testimony.

Arwen Revere on behalf of Wild Kids

HB 1443 relating to climate change mitigation

February 8th, 2022

Aloha committee members,

My name is Arwen Revere and I'm a high school student from Kailua and a member of the environmental organization Wild Kids, who I am representing today. I am testifying to express Wild Kids' concern on the issue of climate change and its impact on Hawaii's ecosystems.

Fossil fuels are cited as the leading cause of global warming, as burning them releases high amounts of carbon dioxide into the atmosphere. Climate change is an urgent issue that we feel must be addressed with significant action immediately. Nearly all of Hawaii's industries, such as tourism and agriculture, depend on a healthy environment. We want these industries, and our ecosystems, to be able to grow and thrive.

This green fee would not only repair the damages created by fossil fuels but would also help raise awareness about the issue and encourage people to think about more sustainable options for transportation. We believe that HB 1443 could make a big difference in Hawaii's fight against climate change.

Thank you for the opportunity to testify. Your consideration on this matter is greatly appreciated.

Arwen Revere on behalf of Wild Kids

HB-1443

Submitted on: 2/7/2022 5:22:17 PM

Testimony for EEP on 2/10/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kimo Cruz	Individual	Oppose	No

Comments:

Opposed.

HB-1443

Submitted on: 2/7/2022 6:11:49 PM

Testimony for EEP on 2/10/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Sonja Kass	Individual	Support	No

Comments:

2022/02/08

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

KauaiEV is in support of HB1443, and recommends all electric vehicles be explicitly exempt from this impact fee for several years in order to encourage the rental car companies to start switching to electric vehicles.

Mahalo

Sonja Kass

HB-1443

Submitted on: 2/7/2022 8:14:50 PM

Testimony for EEP on 2/10/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Douglas Perrine	Individual	Support	No

Comments:

I support HB1443