

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)

TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEES ON LABOR & TOURISM AND FINANCE
ON
SENATE BILL NO. 775, S.D. 2, PROPOSED H.D. 1

April 5, 2022
11:00 a.m.
Room 329 and Videoconference

RELATING TO THE TRANSIENT ACCOMMODATIONS TAX

The Department of Budget and Finance (B&F) opposes this bill.

Senate Bill (S.B.) No. 775, S.D. 2, Proposed H.D. 1: 1) establishes the Natural Resource Management Special Fund (NRMSF) and authorizes uses for moneys in the fund; 2) establishes a 14-member Natural Resource Management Commission (NRMC) within the Hawai'i Tourism Authority (HTA) for administrative purposes to guide and approve the disbursement of moneys deposited into the fund; 3) allocates \$30,000,000 in Transient Accommodations Tax (TAT) revenues to the NRMSF; 4) allocates \$60,000,000 in TAT revenues to HTA; 5) repeals the allocation of \$3,000,000 in TAT revenues to the Special Land and Development Fund (SLDF) in the Department of Land and Natural Resources (DLNR); 6) appropriates an unspecified amount of funds from TAT revenues for HTA operating expenses; and 7) appropriates \$30,000,000 in special funds from the NRMSF for FY 23 to be expended by the NRMC for the purposes of this act.

First, with respect to the repeal of the SLDF and \$3,000,000 TAT allocation to the SLDF, B&F believes that the natural resource management goals of the SLDF and

duties assigned to the NRMC are best aligned with the mission and responsibilities of DLNR. Addressing impacts to natural resources and managing natural and open space resources as described in the proposed H.D. 1 fit directly within the subject matter jurisdiction of DLNR rather than HTA. Current HRS provides for the use of the TAT allocation to the SLDF to be expended by DLNR in accordance with the HTA Strategic Plan. B&F is concerned with the apparent lack of coordination between HTA and the NRMC with DLNR, who has the subject matter and jurisdictional expertise to administer, regulate, monitor, and enforce conservation and protection of State lands and natural resources, whereas HTA and the NRMC lacks this same capacity.

Second, the proposed H.D. 1 provides that the NRMC shall “expend revenues deposited into the NRMSF through the provision of grants to the counties and non-profit organizations for the purpose of the fund [...]” B&F is concerned that the NRMSF essentially amounts to the establishment of a grant program within HTA. Any such grants would need to comply with established Administrative Rules and/or with Chapter 42F, HRS. Of particular concern, of the 14 voting members of the NRMC in the proposed H.D. 1, 5 voting members are representatives from various non-profit sectors who may benefit from the grants awarded. This could pose a conflict of interest if non-profit organizations who are affiliated with the voting member’s sector apply for and receive a grant from the NRMSF.

Third, B&F notes that the proposed H.D. 1 allocates \$60,000,000 in TAT revenues to HTA and that Section 5 of the measure provides for the appropriation of an unspecified amount of TAT revenue for FY 23 for the operating expenses of HTA. However, the 2021 Legislature repealed the Tourism Special Fund effective January 1, 2022, pursuant to Act 1, SpSLH 2021, when it overrode the Governor’s veto of that

measure. As such, there is currently no fund to serve as a depository for the distribution of TAT revenues that would be allocated to HTA. Moneys need to be appropriated from a fund; therefore, it is inappropriate to appropriate funds directly from tax revenues. If it is the intent of the Legislature to provide HTA with a dedicated TAT allocation, it must identify a fund for the allocation to be deposited into and appropriated out of.

Finally, 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. As previously pointed out, regarding S.B. No. 775, Proposed H.D. 1, it is unclear whether there is a sufficient nexus between the NRMSF and HTA.

Thank you for your consideration of our comments.

DAVID Y. IGE
GOVERNOR OF
HAWAII



SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

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

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

Testimony of
SUZANNE D. CASE
Chairperson

Before the House Committees on
LABOR & TOURISM
and
FINANCE

Tuesday, April 5, 2022
11:00 AM

State Capitol, Conference Room 329, Via Videoconference

In consideration of
SENATE BILL 775, SENATE DRAFT 2, PROPOSED HOUSE DRAFT 1
RELATING TO THE TRANSIENT ACCOMMODATIONS TAX

Senate Bill 775, Senate Draft 2, proposed House Draft 1, 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 Hawai'i 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 Hawai'i tourism authority. **The Department of Land and Natural Resources (Department) offers comments and suggested amendments.**

Management of Hawaii's natural and cultural resources to sustain vital resources into the future for the benefit of residents and visitors requires investment into the State's natural and cultural resource management. However, Senate Bill 775, Senate Draft 2, natural resource management special fund *excludes allocation to the Department of Land and Natural Resources*, which has the State's vested responsibility, authority, mandate, and expertise to manage terrestrial and marine ecosystems to offset environmental impacts, protect, restore, and enhance terrestrial and marine natural resources. Exclusion of the Department of Land and Natural Resources from the natural resource management special fund would perpetuate the funding gap for Hawaii's natural and cultural resources. In addition, reduction of the Departments existing TAT allocation would reduce management capacity further.

Hawai'i's natural and cultural resources are huge economic assets, prime attractions of our tourism industry, and support the well-being of our communities. A University of Hawai'i study examined the various services provided by O'ahu's Ko'olau forests - including drinking water recharge, flood prevention, water quality, carbon storage, biodiversity, cultural, aesthetic, recreational, and commercial values. These services were calculated to have a net present value of between \$7.4 and \$14 billion.¹ Coral reefs annually protect \$836 million in averted damages to property and economic activity in Hawai'i.² Despite the value of our forests and oceans, Hawai'i invests less than 1% of the total state budget into maintaining these assets.

The Department manages more than two million acres of land and is responsible for the management and enforcement of state lands and waters from the tops of every island to three miles out to sea yet receives less than one percent of the state budget. The establishment of a natural resource management special fund could be an important initiative for funding the management of Hawai'i's natural resources if the funds are properly allocated. This fund along with innovative financing mechanisms such as carbon offsets for reforestation and improved forest management would move Hawai'i forward in addressing climate change and mitigating the impacts of Hawai'i's tourism economy. A natural resource management special fund could help bolster the State's existing investments in natural resource management and parks management and take a step forward in filling Hawai'i's natural and cultural resource funding gap.

The Department proposes the following amendment to SECTION 1(5):

The purpose of this Act is to:

- (1) Establish a natural resource management special fund for the natural resource management commission to address impacts to natural resources and management of natural and open space resources that are important to residents and the visitor industry;
- (2) Establish a natural resource management commission to guide and approve the disbursement of moneys deposited into the natural resource management special fund;
- (3) Allocate annually, \$30,000,000 in transient accommodations tax revenues to the natural resource management special fund;
- (4) Allocate \$60,000,000 in transient accommodations tax revenues to the Hawaii tourism authority[; and
- ~~(5) Repeal the transient accommodations tax allocation of \$3,000,000 to the special land and development fund].~~

The Department suggests retaining the funding allocations in Section 237D-6.5(b), Hawai'i Revised Statutes, in addition to the additional funds to read as follows:

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

- (1) \$1,500,000 shall be allocated to the Turtle Bay conservation easement special fund beginning July 1, 2015, for the reimbursement to the state general fund of debt service on reimbursable general obligation bonds, including ongoing expenses related to the issuance of the bonds, the proceeds of which were used to acquire the conservation easement and other real property interests in Turtle Bay, Oahu, for the protection, preservation, and enhancement of natural resources important to the State, until the bonds are fully amortized;
- (2) \$11,000,000 shall be allocated to the convention center enterprise special fund established under section 201B-8;
- (3) An allocation shall be deposited into the tourism emergency special fund, established in section 201B-10, in a manner sufficient to maintain a fund balance of \$5,000,000 in the tourism emergency special fund;
- (4) \$3,000,000 shall be allocated to the special land and development fund established under section 171-19; provided that the allocation shall be expended in accordance with the Hawaii tourism authority strategic plan for:
 - (A) The protection, preservation, maintenance, and enhancement of natural resources, including beaches, important to the visitor industry;
 - (B) Planning, construction, and repair of facilities; and
 - (C) Operation and maintenance costs of public lands, including beaches, connected with enhancing the visitor experience.
- (5) \$30,000,000 shall be allocated to the special land and development fund established under section 171-19; and
- (6) \$60,000,000 shall be allocated to the Hawai'i tourism authority.

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

Lastly, the Department suggests amending (highlighted in yellow) subsections (a) and (e) of Section 201B-B as follows:

§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]~~ department of land and natural resources. The natural resource management commission shall accept grant proposals from any entity, including the department. The natural resource management commission shall make recommendations on grants to the board of land and natural resources, which shall be the ultimate decision making authority for this fund. The department shall report annually to the legislature on expenditures from the fund. The natural resource management commission shall be composed of:

...

- (e) The natural resource management commission shall:
- (1) Expend no more than three per cent of the annual allocation of transient accommodations tax revenues to the natural resource management special fund for administrative and staffing expenses;
 - (2) Expend revenues deposited into the natural resource management special fund through the provision of grants to the counties, state agencies, and non-profit organizations for the purposes of the fund; provided that no more than five per cent of the moneys disbursed for the grants from the fund may be used for personnel and other administrative costs; and
 - (3) Promote transparency and accountability in determining the specific uses for and disbursements from the fund, subject to the uses authorized under section 201B-A.

Thank you for the opportunity to comment on this measure.

SB-775-SD-2

Submitted on: 4/4/2022 10:38:17 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Leah Laramee	DLNR	Comments	Remotely Via Zoom

Comments:

I am available for questions to DLNR. Please allow me Zoom access.



Statement of
JOHN DE FRIES

Hawaii'i Tourism Authority
before the
COMMITTEE ON LABOR & TOURISM
AND
COMMITTEE ON FINANCE

April 5, 2022
11:00 a.m.
State Capitol
via videoconference

In consideration of
SENATE BILL NO. 775 SD2 HD1
RELATING TO THE TRANSIENT ACCOMMODATIONS TAX

Aloha Chairs Onishi and Luke, Vice Chairs Sayama and Yamashita, and members of the Committee on Labor & Tourism and the Committee on Finance.

The Hawaii'i Tourism Authority (HTA) appreciates the opportunity to offer testimony in **support** of the proposed HD1 of SB775 SD2, which allocates Transient Accommodations Tax revenues to a Natural Resource Management Special Fund and to the operating expenses of the Hawaii'i Tourism Authority.

We strongly support the allocation of TAT revenues to the Natural Resource Management Special Fund. Hawaii'i's natural environment is a treasure that we must protect and preserve for the generations to come. The ethic of mālama is the core of HTA's visitor education efforts, and we make direct investments in environmental stewardship efforts through the Aloha 'Āina program. The proposed annual allocation in this measure is a direct way for visitors to contribute to our shared kuleana to mālama our home.

The visitor industry is an important sector of Hawaii'i's economy, providing a significant share of state tax revenues as well as employment opportunities for kama'āina families. We understand there are challenges associated with the industry, challenges which have inspired our pivot from destination marketing to destination management and visitor education through responsible

April 5, 2022

branding. This pivot and our strategic plan points us in the direction of regenerative tourism, a direction validated and supported by the community-generated Destination Management Action Plans that guide our work every day.

We support and are very appreciative of this proposal. An annual allocation to the Hawai'i Tourism Authority from TAT revenues is a funding mechanism that allows visitors to directly fund the agency's destination management and visitor education efforts while keeping HTA accountable to the Legislature, our board of directors, the state's executive leadership, and our most important shared stakeholders – the community. The annual allocation also allows us to more effectively plan for destination management initiatives that span multiple years. We look forward to working with the Legislature to establish the process through which we can accept these funds and utilize them wisely.

We appreciate the hard work that has gone into this measure, and we appreciate the opportunity to provide this testimony in **support** of the proposed HD1 of SB775 SD2. Mahalo.



April 5, 2022

Representative Richard Onishi
Chair of the House Labor & Tourism
Committee

Representative Sylvia Luke
Chair of the House Finance Committee

RE: Testimony in Support of SB 775, Proposed HD1, Relating to the Transient Accommodations Tax

Aloha Chair Onishi, Chair Luke, and members of the committees,

On behalf of Resources Legacy Fund (RLF), we are writing in support of SB 775, proposed HD1, relating to the transient accommodations tax (TAT). The bill would establish the natural resource management special fund and a new commission to provide grants to local governments and nonprofit groups to protect, restore, and enhance Hawai'i's natural resources. The measure would allocate \$30 million each year in TAT revenues for this purpose. We greatly appreciate your leadership in developing and advancing this proposal.

We strongly support investment in protecting and restoring our state's natural resources for the enjoyment of present and future generations and creating jobs for Hawai'i residents related to environmental stewardship. We believe that it is very appropriate to use TAT funds for this purpose to help offset the impacts that visitors have on Hawai'i's natural resources and to help ensure we maintain and restore the health of these resources for the enjoyment of both visitors and residents.

We also believe it is important to retain funding that enables state agencies, as well as local governments and nonprofit organizations, to advance these goals. Accordingly, we respectfully encourage you to revise the proposal to make state agencies, including the Department of Land and Natural Resources, eligible to receive monies from the new natural resources management special fund, as well, for programs and projects consistent with the fund's purpose. State agencies are responsible for managing that state's natural resources and enforcing existing laws pertaining to natural resources. These agencies have created strategic natural resource management plans and programs that are currently underfunded. The proposed allocation from the TAT to the new natural resource management special fund could help to address the funding gap, and could encourage partnerships between state and local government and nonprofit organizations to improve stewardship of Hawai'i's invaluable natural resources, enhancing experiences for residents and visitors alike.

We believe that Hawai'i is an opportune place to adopt the proposed TAT funded program of investment into our state's natural resources because of the way the natural environment is integrated into the visitor experience. SB 775, proposed house draft 1 provides you with an opportunity to protect Hawai'i's magnificent natural resources for present and future generations. We respectfully urge you to approve this important legislation with amendments to include state agencies working to improve management of these resources.

Thank you for the opportunity to provide testimony in support of this important bill.

Sincerely,
Jocelyn Garovoy Herbert
Senior Program Officer, Resources Legacy Fund

SB-775-SD-2

Submitted on: 4/4/2022 8:49:02 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ted Bohlen	Climate Protectors Hawai'i and Hawai'i Reef and Ocean Coalition	Support	Remotely Via Zoom

Comments:

To: The Honorable Richard Onishi, Chair, the Honorable Jackson Sayama, Vice Chair, and Members of the House Committee on Labor & Tourism, and

The Honorable Sylvia Luke, Chair, the Honorable Kyle Yamashita, Vice Chair, and Members of the House Committee on Finance

From: Climate Protectors Hawai'i and Hawai'i Reef and Ocean Coalition (by Ted Bohlen)

Re: Hearing **SB775 SD2 RELATING TO THE TRANSIENT ACCOMMODATIONS TAX.**

Hearing: Tuesday, April 5, 2022, 11:00 a.m., CR 329 and by videoconference

Aloha Chairs Onishi and Luke, Vice Chairs Sayama and Yamashita, and Members of the House Committees on Labor & Tourism and Finance:

The Climate Protectors Hawai'i and Hawai'i Reef and Ocean Coalition STRONGLY SUPPORT SB775 SD2!

Visitors to Hawaii are loving our 'aina to death! Visitors enjoying Hawaii, including our beautiful natural resources, take a toll, especially on our parks, beaches, forests, trails, and other State-owned natural resource areas. These areas must be protected and maintained, which is expensive. The costs of protection, upkeep, and maintenance that are not charged to visitors will otherwise fall on taxpayers. Or worse, the resources will not be maintained for lack of funding and be degraded.

More broadly, beyond natural resource areas, **visitors impose costs on many aspects of life in Hawaii:** police and fire, roads, drinking water and wastewater treatment, solid waste, energy consumption, greenhouse gas emissions, etc. Hawaii taxpayers currently pay for visitor-imposed costs as well as their own costs as residents.

It is time to restore some fairness to the funding of costs imposed by visitors! This bill will facilitate charging visitors using transient accommodations for some of the costs they impose, including but not limited to maintaining Hawaii's natural resources. The costs

imposed by visitors are far greater than is covered in the Transient Accommodation Tax, but this bill would at least cover some of those costs.

The bill appropriately provides for a higher (or lower) Transient Accommodation Tax rate when the number of visitors in the prior year exceeds (or is less than) 7 million.

Please pass this excellent bill to fairly adjust the Transient Accommodation Tax!

Mahalo!

Climate Protectors Hawai'i and Hawai'i Reef and Ocean Coalition (by Ted Bohlen)



4/5/2022

LAT/FIN Committee
Hawai'i State Capitol
Honolulu, Hawai'i 96813

Aloha Chair Onishi, Chair Luke, Vice Chair Sayama, Vice Chair Yamashita, and Members of the Committees on Labor & Tourism and Finance,

Position: Support SB775 HD1.

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.

I am testifying in strong support of SB775 HD1 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources.

Our beaches, parks, reefs, forests, hiking trails, and other natural resources are paramount to sustaining our way of life and, similarly, our economic engine. These resources are deeply intertwined with our visitor sector - the jobs that depend on it are not possible without Hawai'i's iconic natural resources. The funding for our irreplaceable environment will create hundreds of jobs in our environmental sector, helping both our communities and tourism industry. Further, our residents overwhelmingly support a green fee, with recent polling results highlighting that **88% of voters agree visitors should pay their fair share to maintain our cultural and natural resources**. It is overwhelmingly clear that our local residents want visitors to participate in offsetting the pressure of the industry on our home.

SB775 creates a pathway for Hawai'i to be sustained as a visitor destination into the future, while empowering our community organizations to scale their work throughout our State. This innovative funding stream would support critical conservation efforts needed to maintain Hawai'i as a healthy, sustainable region into the future. A transformational investment in Hawai'i's natural resources provides a pathway to build environmental and economic resilience for our local communities and our visitor industry. By investing in our environment today, we can ensure that residents and visitors are able to enjoy our incomparable natural environment and island lifestyle for decades to come.

Thank you for your consideration of this testimony in support of SB775 HD1, 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,

Camile Cleveland
Volunteer Policy Coordinator
Surfrider Foundation, O'ahu Chapter



April 4, 2022

Representative Sylvia Luke, Chair, House Finance Committee
Representative Richard Onishi, Chair, House Labor and Tourism Committee
Hawaii State Legislature

Support for SB775 SD2 Proposed HD1

Dear Chair Luke, Chair Onishi and Members of the House Finance and Labor and Tourism Committees,

The Kohala Coast Resort Association is in support of SB775 SD2 Proposed HD1. We appreciate the \$30 million allocation of transient accommodations taxes to the natural resources management special fund, which shall be expended by the newly created natural resources management commission, convened by the Hawaii Tourism Authority, to address impacts and manage our natural areas and open spaces. We also sincerely appreciate the \$60 million allocation of transient accommodations taxes to support the overall operations of the Hawaii Tourism Authority, the state's lead agency for tourism.

The Kohala Coast Resort Association's members employ 5,000 people, supporting 20,000 residents, at their hotels, timeshares, restaurants, retail shops, golf courses and spas along the Kohala Coast. Additionally, in 2022, KCRA members will pay an estimated \$60 million in state and county TAT, and \$40 million in state and county GET.

Thank you for the opportunity to support this measure.

Sincerely,

A handwritten signature in black ink that reads "Stephanie P. Donoho". The signature is written in a cursive, flowing style.

Stephanie Donoho, Administrative Director

**Testimony of The Nature Conservancy
In Support of SB 775 SD2 Proposed HD1, Relating to the Transient Accommodations Tax.**

**Committee on Finance and Committee on Labor & Tourism
April 5, 2022, 11:00 am
Conference Room 329 and via Videoconference**

Aloha Chair Luke, Chair Onishi, Vice Chair Yamashita, Vice Chair Sayama, and Members of the Committees:

The Nature Conservancy (TNC) supports SB 775 SD2 Proposed HD1, Relating to the Transient Accommodations Tax, which 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; and allocates Transient Accommodations Tax revenues to the Fund.

SB 775 SD2 Proposed HD1 would establish a new funding stream to support the critical conservation efforts needed to maintain Hawai'i as a healthy, sustainable home for future generations, as well as a world-class visitor destination. Our natural resources sustain our way of life, feed our families, and drive our local economy. Although Hawai'i's natural beauty is a top tourist attraction, conservation efforts receive less than one percent of the state's annual budget. The Natural Resource Management Special Fund could help close Hawai'i's conservation funding gap, which has been estimated at \$360 million annually.

A January 2022 pollⁱ showed that Hawai'i voters overwhelmingly agree that tourists should pay their fair share to maintain and manage natural and cultural resources. Fully 88% of voters – nearly nine out of ten – agree with this assertion, and nearly two-thirds (63%) “strongly agree.” The poll also showed widespread support for funding natural resource management activities, such as conservation of coral reefs and native forests.

Hawai'i's people and natural resources are being directly affected by climate change. We are experiencing increased flooding, coastal erosion, sea level rise, coral bleaching, loss of native forest, rising temperatures, increased threats of extinction for endangered species, and other impacts from the changing climate. The State and organizations like TNC are working to protect and restore our islands' critical natural resources. Additional funding is needed to maintain and increase the pace and scale of these conservation efforts to offset the growing impacts from climate change. The Natural Resource Management Special Fund in SB 775 SD2 Proposed HD1 would allow for more sustained funding to scale efforts and address our conservation needs while supporting the development of green jobs to conserve and manage our natural resources.

BOARD OF TRUSTEES

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Kathy M. Matsui Janet Montag Alicia Moy Bradley E. Smith Julie Smolinski Peter K. Tomozawa Richard N. Zwern

Investment in Hawai'i's natural resources through a Natural Resource Management Special Fund is required to build environmental and economic resilience for our local communities and our visitor industry. By investing in our environment today, we can ensure that residents and visitors are able to enjoy our incomparable natural environment and island lifestyle for generations to come.

Mahalo for the opportunity to support SB 775 SD2 Proposed HD1.

The Nature Conservancy of Hawai'i and Palmyra is a non-profit organization dedicated to the preservation of the lands and waters upon which all life depends. The Conservancy has helped protect more than 200,000 acres of natural lands in Hawai'i and Palmyra Atoll. We manage 40,000 acres in 13 nature preserves and work in over 50 coastal communities to help protect and restore the nearshore reefs and fisheries of the main Hawaiian Islands. We forge partnerships with government, private parties, and communities to protect forests and coral reefs for their ecological values and for the many benefits they provide to people.

¹ Fairbank, Maslin, Maullin, Metz & Associates (FM3) recently completed a survey of Hawai'i voters to assess their views on a range of environmental issues, including support for a \$50 fee collected from visitors to be used to protect and restore land, water, wildlife, and cultural resources that are impacted by tourism (sometimes referred to as a "green fee"). From Jan. 16-30, 2022, FM3 completed 1,088 online and telephone (landline and wireless) interviews with Hawai'i voters; this is inclusive of 720 interviews statewide as well as oversamples on key neighbor islands. The margin of sampling error for the study is +/-4.0% at the 95% confidence level; margins of error for population subgroups within the sample will be higher. Due to rounding, not all totals will sum to 100%. The study was funded by The Nature Conservancy, Resources Legacy Fund, and Trust for Public Land. A memo summarizing poll results is available upon request.

SB-775-SD-2

Submitted on: 4/4/2022 1:46:14 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Christina Comfort	WAI: Wastewater Alternatives & Innovations	Support	Written Testimony Only

Comments:

Aloha, my name is Christina Comfort, Program Manager of WAI: Wastewater Alternatives & Innovations (an environmental non-profit). I am writing in support of SB 775 Prop HD1. The bill would create a new special fund that would take \$30m/ year from the transient accommodation tax (TAT) and would also create a new natural resource management commission to oversee the fund. As it is written, the allocated funds would be available to support county governments and nonprofit organizations to do work to protect and restore natural resources. Mahalo for your consideration.

Testimony of Sustainable Coastlines Hawai'i

4/4/2022

Bill: **SB 775 Proposed HD1**

Committee: House LAT/FIN

Position: **Support**

Hearing Date: 4/5/22 11:00 AM

Aloha Chairs Onishi & Luke and Members of the Committees on LAT/FIN

My name is Rafael Bergstrom, the Executive Director of Sustainable Coastlines Hawai'i (SCH), a local nonprofit with a mission to inspire communities to care for coastlines. SCH is in strong support of SB 775 HD1 (proposed) and the creation of a Natural Resources Management Special Fund. The vision of SCH is a world of inspired people, clean beaches, and healthy coastlines. Visitor engagement and education, volunteerism, and restoration efforts are all core actions of how we achieve our mission. Over the past 10 years SCH has removed 625,000 lbs. of debris from our coastlines, united 40,000 volunteers, educated 44,000 students, and waded through a destructive mess of plastic pollution. We are experts on plastic pollution, the consequences of inaction, and the solutions we have at our fingertips.

The impact of visitors to our islands can be seen everywhere. While it is of course necessary to acknowledge the economy that is created around this industry, it is equally, if not more important, to understand the negative externalities of that industry and be proactive in mitigating them. While inviting visitors to be better stewards of the islands should continue, it is not enough. Our islands run huge deficits when it comes to funding both reactive and proactive conservation and sustainability efforts. The current levels of impact are not sustainable for a livable future in Hawai'i. We need more funding to expand this work.

The creation of the natural recourse special fund is long overdue. There is ample opportunity for job creation within the conservation and sustainability sectors of Hawaii's economy. Hawai'i is an ecological wonder and has a responsibility to have one of its biggest workforces be in conservation. In doing so, we will become a leader and model for the world.

We will continue to do our part with hands-in-the-sand and hands-in-the-soil work while engaging residents and visitors in opportunities to learn while restoring. Ideally everyone goes home from one of our events feeling empowered to take both individual and community action to protect our future. Mahalo for taking time to consider this important bill.

With Aloha,



Rafael Bergstrom

Executive Director

Sustainable Coastlines Hawai'i



**Testimony in Support of S.B. 775, S.D. 2 H.D. 1 Proposed,
Relating to the Transient Accommodations Tax**

Joint Hearing of the House Committees on Labor & Tourism and Finance
Submitted by Kupu CEO John Leong, hearing date April 5, 2022

Aloha Chairs Onishi and Luke, Vice Chairs Sayama and Yamashita, 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 **strong support** of **S.B. 775, S.D. 2, H.D. 1 Proposed, Relating to the Transient Accommodations Tax**. 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.

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. While natural resource management is critically needed across our islands, at this time these measures are underfunded. Continued underfunding of our state’s natural resource management needs 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. We therefore strongly support this bill, which would expand funding to protect, preserve, and improve the wellbeing of our environment.

In addition to the clear environmental benefits, we see this bill as a benefit to the economic wellbeing of Hawai‘i. The Covid-19 pandemic was a painful example of the downsides of over-

reliance on a small number of industries, as our state suffered the highest unemployment rates and some of the worst business impacts in the United States due to the pandemic's impacts on tourism. As we swing into what we hope is a long recovery period, we can and must use this opportunity to grow other industries, such as those that would be supported by this bill. Conservation, natural resource management, and other sustainability industries have the dual benefit of contributing to our economy as well as the land that feeds us all. This bill is an opportunity to stimulate this important part of the economy, creating more jobs for Hawai'i youth being trained by Kupu and other mālama 'āina organizations.

Lastly, we commend the legislature for tying this "green fee" to the transient accommodations tax. While no tax will be perfect or universally supported, tying the green fee to the TAT ties the amount of conservation resources to one of the clearest indicators of conservation needs: the amount of visitors at any given time. Under this bill, an increase in visitors will result in more resources to address the environmental impacts associated with tourism; a decrease in visitors will likewise scale down the fee.

Mahalo again for considering this important step in a more balanced economy, a healthier environment, and a Hawai'i that is better prepared to respond to the climate changes that are already happening. Please **pass S.B. 775, S.D. 2, H.D. 1 Proposed, Relating to the Transient Accommodations Tax.**

Sincerely,

John Leong

John Leong, CEO
Kupu

SB-775-SD-2

Submitted on: 4/4/2022 9:48:37 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Nicole Chatterson	Zero Waste Oahu	Support	Written Testimony Only

Comments:

Aloha Chairs and Committee Members,

We are in support of the proposed adjustments to use a portion of the TAT for conservation efforts via a Natural Resource Management Special Fund, which which are outlined in version **SB 775 SD 2 HD1 (proposed)**.

This bill has the potential of drammatcally support the health and well-being of our island ecosystems. Please pass it.

Aloha,

Nicole Chatterson

Executive Director, Zero Waste Oahu



Testimony in Support of SB 775 HD 1
Relating to the Transient Accommodations Tax
Committee on Labor & Tourism
Committee on Finance
April 4, 2022

Aloha nō e Chair Onishi, Vice Chair Sayama, and Committee Members:

Mahalo nui loa for the opportunity to offer testimony today. [‘Āina Aloha Economic Futures](#) strongly support SB 775 HD1 relating to the Transient Accommodations Tax, a position consistent with our [AAEF Policy Playbook’s](#) Resource Management policy recommendations.

The nearly 3,000 individuals, businesses, and organizations that have signed on as [supporters of AAEF](#) stand behind the core concept of this bill that seeks to offset visitor impacts to Hawai‘i and to appropriate transient accommodation tax revenues to improve the vibrancy and resilience of our natural and cultural resources that are essential to the well-being of our local communities, visitor industry, and the myriad of businesses and their employees that depend on visitors to Hawai‘i.

Additional benefits that a Green Fee would provide include sustainable jobs for local communities and for communities to play a larger role in designing and implementing solutions to care for the natural and cultural resources of their home areas. Green Fee investments would also create ripe opportunities to leverage additional funding from private sector donors and increase the scope of improvements that can occur.

There are few instances when legislative measures can support cultural, environmental, and business interests simultaneously. ‘Āina Aloha Economic Futures strongly urges the passage of this important measure.

Me ke aloha a me ka ‘oia‘i‘o,
‘Āina Aloha Economic Futures Co-authors



House Committee on Labor & Tourism / House Committee on Finance

Tuesday, April 5th 2022, 11a.m. Conference Room 329

Hawai'i Alliance for Progressive Action Supports: SB775 SD2

Aloha Chairs Onishi/Luke, Vice Chairs Sayama/Yamashita and Members of the Committees,

On behalf of the Hawai'i Alliance for Progressive Action (HAPA) I am submitting testimony in support of SB775 SD2.

SB775 SD2 provides for a mechanism to adjust the transient accommodations tax rate based on visitor arrivals for a calendar year. Requires the Hawaii tourism authority and the department of business, economic development, and tourism to determine and the latter to publish visitor arrivals annually.

HAPA supports this measure because we believe our natural and cultural resources are the backbone of our visitor industry. Models that include a tourism "green fee" and environmental licenses are successfully used across the world to address the environmental impacts of heavy stressors on ecosystems due to high visitor traffic. Hawai'i represents a top visitor destination and it only makes sense that this model should apply to Hawai'i.

A measure such as SB775 SD2 would establish an innovative funding stream to support the critical conservation efforts needed to maintain Hawai'i as a healthy, sustainable region for future generations to enjoy, as well as a visitor experience. Our beaches, parks, reefs, forests, hiking trails, and other natural resources are paramount to sustaining our way of life and, similarly, our economic engine. These resources are intertwined with our visitor sector, as the tourism economy depends on Hawai'i's iconic natural resources. However, our home is facing escalating visitor impacts, climate change, and localized threats to our ecosystems. It's been estimated that we currently face a conservation funding gap of \$360 million per year.

A transformational investment in Hawai'i's natural resources through a visitor green fee program provides a pathway to build environmental and economic resilience for our local communities and our visitor industry. By investing in our environment today, we can ensure that residents and visitors are able to enjoy our incomparable natural environment and island lifestyle in the future.

Please pass SB775 SD2.

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read "Anne Frederick". The signature is fluid and cursive, with a long horizontal stroke at the end.

Anne Frederick
Executive Director



HOUSE COMMITTEE ON LABOR & TOURISM
Representative Richard Onishi, Chair
Representative Jackson Sayama, Vice Chair

HOUSE COMMITTEE ON FINANCE
Representative Sylvia Luke, Chair
Representative Kyle Yamashita, Vice Chair

TESTIMONY IN SUPPORT
Senate Bill 775 SD2 PROPOSED HD1, Relating to the Transient Accommodations Tax
Tuesday, April 5, 2022, 11 a.m.
Conference Room 329 & Videoconference

Aloha Chair Onishi, Chair Luke, and Members of the House Committees on Labor & Tourism and Finance:

Mahalo for the opportunity to provide testimony on the proposed HD1 for SB775 SD2, which among other things, allocates transient accommodation tax (TAT) funds to the Natural Resource Management Fund and Hawai'i Tourism Authority (HTA).

Hawaiian Airlines supports the intent of this measure as written. As Hawai'i's airline, we deeply understand the importance of investing in our environment, not only to maintain the natural beauty that makes Hawai'i such a desired destination, but also for future generations of kama'aina to be able to live and enjoy in perpetuity.

This bill is consistent with our position that TAT revenues should be invested into initiatives that mitigate negative environmental impacts and improve the quality of life and experience for residents and visitors.

Hawaiian Airlines also supports continued investment in HTA's role in branding, promotion, and destination management while still stressing the importance of transparency and a clear strategy that guides the grant-making process. We believe the monies allocated in this proposed measure represent a meaningful start to achieving these objectives.

Mahalo for the opportunity to provide testimony in support of the proposed HD1.



Hawai'i Wildlife Fund

PO Box 1801, Kealahou HI 96750 (Hawai'i) & PO Box 790637, Paia HI 96779 (Maui)

Celebrating 26 years of protecting Hawai'i's native wildlife
through research, education and conservation.

3 April 2022

Re: Proposed Senate Bill 775 HD1

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

We are testifying in strong support of SB775 HD1 proposed, relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources.

Our beaches, parks, reefs, forests, hiking trails, and other natural resources are paramount to sustaining our way of life and, similarly, our economic engine. These resources are deeply intertwined with our visitor sector, and the jobs that depend on it are not possible without Hawai'i's iconic natural resources. The funding for our irreplaceable environment will create hundreds of jobs in the environmental sector, helping both our communities and tourism industry. Further, our residents overwhelmingly support a green fee, with recent polling results highlighting that 88% of voters agree visitors should pay their fair share to maintain our cultural and natural resources. It is overwhelmingly clear that our local residents want visitors to participate in offsetting the pressure of the industry on our home.

SB775 creates a pathway for Hawai'i to be sustained as a visitor destination into the future, while empowering our community organizations to scale their work throughout our State. This innovative funding stream would support critical conservation efforts needed to maintain Hawai'i as a healthy, sustainable region into the future. A transformational investment in Hawai'i's natural resources provides a pathway to build environmental and economic resilience for our local communities and our visitor industry. By investing in our environment today, we can ensure that residents *and* visitors are able to enjoy our incomparable natural environment and our island lifestyle for decades to come.

Hawai'i Wildlife Fund (HWF) is a small nonprofit organization that has been working to conserve native species in Hawai'i since 1996. For the past 26 years, we have been actively involved in research, education, restoration and advocacy projects related to the protection of coastal and nearshore habitats. We have removed over 350 tons of marine debris statewide with over 50,000 logged volunteer hours, helped to protect over 10,000 hawksbill hatchlings, and educated thousands of our local youth groups and visitors. In partnership with the NOAA Humpback Whale National Marine Sanctuary and Whalers Village, we opened the "Hawai'i Wildlife Discovery Center" in Lahaina, Maui this past October. The Hawai'i Wildlife Discovery Center is a state-of-the-art 5,000 sq. ft. multi-media venue featuring a dynamic blend of art and science celebrating Hawai'i's marine wildlife and showcasing the work of Hawai'i Wildlife Fund and other local NGOs and artists. Some of the goals

of the Center are to introduce fun and factual information with the thousands of visitors that flock to Maui annually, and to share this venue as a gathering space and educational center for our island's youth and local community groups. The 30-plus exhibits within the Center focus on Hawai'i's undersea life, whaling era, cultural values, and conservation. HWF is already engaged in more "green tourism" efforts and commends the intent of this green fee. However, we'd like to add that we hope in the future the Legislature will really research the impact that carbon emissions from our mostly air-travel tourism industry is having on our global climate, and the very resources we are seeking to protect with the creation of this new fund. Regardless, we think this bill is a step in the right direction and we stand in support of the proposed SB775 HD1.

Thanks for your time, consideration, and moving this program forward!

Me ka mahalo pumehana,

Megan Lamson, M. Sc. | HWF President & Program Director (megan@wildhawaii.org) – Kealahou, Hawai'i
Hannah Bernard | HWF Co-founder & Executive Director (wild@aloha.net) – Paia, Maui

SB-775-SD-2

Submitted on: 4/3/2022 8:23:47 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Damien Kenison	Kauhako Ohana Association	Support	Written Testimony Only

Comments:

Aloha no kakou, I am submitting this testimony in support of SB775 SD 2

Tourism is the largest contributor of funds that support State programs and activities. People come to Hawaii to enjoy the beauty of our natural resources and culture. Our forests, coral reefs, and scenic places are why they spend thousands of dollars to board that plane and fly to our islands. Protecting those resources is critical to maintaining a justification for them to select Hawaii as a preferred vacation destination.

When the Hawaii County Parks and Recreation raised the camping fee for visitors from \$5.00 to \$20.00 per adult there was some negative feedback at first but the visitor count to Hookena Beach Park did not decrease substantially. Some of the people who would camp at our Hookena were kapulu, would disregard our rules and were generally disrespectful. Fortunately for us and our visitors they were not willing to pay the extra cost and this improved the atmosphere at our campground.

After the fee increase, people who came to camp at Hookena were appreciative of the change despite having to spend more to experience the beauty of our 'aina. They return year after year as long as their stay at Hookena was peaceful and enjoyable.

This mana'o that I am relating to you is intended to make the State and especially the HTA understand that the thousands of visitors to our islands and those who provide services for those tourists will absorb the extra cost of enjoying the culture and natural beauty of our islands if the quality of their experience is enhanced through the support of government and community efforts to malama 'aina.

Please support this important measure that will allow our local government and community nonprofits to partner with the Department of Land and Natural Resources and protect our islands for the benefit of all.

Ke Aloha Nunui,

Damien Kenison

Kauhakō Ohana Association

PO Box 38, Honaunau, HI. 96726

“Solutions not Complaints”



Testimony Before The
House Committee on Labor and Tourism
House Committee on Finance
IN SUPPORT OF SB 775 HD1 Proposed
April 5, 2022, 11:00AM, Room 325

My name is Kevin Chang and I am the Executive Director of [Kua'āina Ulu 'Auamo \(or KUA\)](#). KUA works to empower grassroots rural and Native Hawaiian mālama 'āina groups -fishers, farmers, families- to celebrate their places and pass on their traditions to better Hawai'i and achieve 'āina momona— an abundant, productive ecological system that supports community well-being.

KUA employs a community-driven approach that currently supports a statewide network of 36 mālama 'āina community groups collectively referred to as E Alu Pū (moving forward together), 40 fishpond projects and practitioners called the Hui Mālama Loko I'a, and a growing group of over 60 Limu practitioners and supporters called the Limu Hui. Our vision of 'āina momona includes pathways to new economic and environmental regenerative opportunities for present and future generations.

KUA generally supports the proposed HB 775 HD1 with suggestions as an incremental step on a pathway towards 'āina momona. This bill which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources. We view the commission as significant in helping DLNR build capacity in its outreach and connection to uplifting communities through a culture of conservation. We suggest that in the development of this law that the public trust responsibilities of the state to the Native Hawaiian community through OHA, the federal commitment to reconciliation, Native Hawaiian traditional customary practices and rights to access resources be considered in the fees charged and in the use and dispensation of the funds. In addition, we recommend this commission specifically take into consideration supporting community capacity to steward resources as one of the kinds of "projects" considered.

In reading the preamble to this bill we also uplift the significance of the contribution that many state citizens, especially those in rural and Native Hawaiian communities across our state do beyond the payment of taxes for environmental care. They engage in practices of direct environmental management and governance often in collaboration with our too long under-resourced DLNR. They engage in this work as a matter of kuleana, subsistence and civic responsibility driven by values and practices embodied in our constitution. It is appropriate that this resource pathway should also support community capacity as an essential partner in environmental governance and management.

A primary function of KUA includes development of an 'auwai, a stream of resources, tools, bridges, relationships, and networks that help to cultivate and take our communities' work to greater levels of collective impact. A core catalyst for the flow in this 'auwai includes increasing the percentage of our economy which helps to manage and better the condition of the natural resources

systems that sustain us. Indeed, the University of Hawai'i Economic Research Organization, with input from KUA and a number of partners (DLNR, Kupu, TNC, KS,OHA etc.) now tracks natural resource workforce development as a key part of a "Green Economy."

As we look to the future, our communities are raising the kupa'āina who want to have jobs focused on mālama 'āina. I am sure some of the submitted applications that recently inundated and exceeded the capacity of the DOCARE Academy enrollment portal came from these kinds of young people. We appreciate the necessary, creative and collaborative approaches our state supports that build the capacity and skills of the next generation with intention, and in a way that benefits ongoing community efforts to support ecosystem regeneration.

The communities we work with are committed to ensuring the long-term health of our biocultural resources. They have depended on them for generations. We believe our environment, the foundation of our very existence, is about long-term investment and a vision of 'āina momona. To get there it requires among other things taking the steps toward greater self-sufficiency, development of a pipeline of new and more innovative career pathways, mindsets, relationships and resource flows for mālama 'āina. Passing this bill out of your committee will open an essential 'auwai toward reaching this vision.

Please pass this bill out of your committee and mahalo for this opportunity to testify.

Aloha 'Āina Momona.



Mālama Pūpūkea-Waimea
Post Office Box 188
Hale'iwa, HI 96712

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Federal Nonprofit Organization
501(c)(3) FEIN 27-0855937
www.pupukeawaimea.org
info@pupukeawaimea.org

LAT/FIN Hearing: Tuesday April 5, 2022
Rep. Richard H.K. Onishi, LAT Chair
Rep. Jackson D. Sayama, LAT Vice Chair
Rep. Sylvia Luke, FIN Chair
Rep. Kyle T. Yamashita, FIN Vice Chair
Members of LAT/FIN

SB775 SD2 – RELATING TO THE TRANSIENT ACCOMMODATIONS TAX.
Proposed HD1: Establishes the natural resource management special fund and authorizes uses for moneys in the fund.

Aloha Chair Onishi, Vice Chair Sayama, Chair Luke, Vice Chair Yamashita, and Members of LAT/FIN Committees,

Thank you for hearing this bill. Mālama Pūpūkea-Waimea **strongly supports SB775 Proposed HD1.**

MPW is a Hawai'i non-profit organization founded on the North Shore of O'ahu in 2005. Our mission is "working to replenish and sustain the natural and cultural resources of the Pūpūkea and Waimea ahupua'a for present and future generations through active community stewardship, education, and partnerships." For eighteen years, we have focused our stewardship and education efforts on the Pūpūkea Marine Life Conservation District (MLCD), one of only three MLCDs on O'ahu and eleven statewide.

We rely on grants and donations to protect the MLCD, conduct scientific research, and do community education and outreach that normally should be done by DLNR, but the agency is unable to undertake due to limited staff and funding. State funding for the management and protection of Hawai'i's natural recreational areas – such as MLCDs, historic sites, and parks -- is grossly inadequate.

The proposed Natural Resources Management Special Fund, to be administered by the State Department of Land and Natural Resources, and funded by \$30 million in TAT revenue, would be a historic step forward for Hawai'i toward truly sustainable tourism. With a substantial amount of TAT funding invested back into the resources that are most impacted by human use, visitors and residents will have a higher quality experience and the resources will be more healthy and resilient.

This additional funding is badly needed. **Please pass SB775 Proposed HD1.** Mahalo nui and best regards,

Denise Antolini President, MPW

SB-775-SD-2

Submitted on: 4/4/2022 11:05:22 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Arwen Revere	Wild Kids	Support	In Person

Comments:

Aloha Chair Onishi, Vice-Chair Sayama, and Members of the Committee:

My name is Arwen Revere and I am a high school student from Kailua and a representative of the environmental organization Wild Kids. I am testifying in strong support of SB 775 HD1 which would allocate funds to natural resource management, establish a fund and commission to direct use of the fees collected transparently and support our community through grant programs working to protect and restore Hawaii's natural resources.

At Wild Kids, our mission is to protect the environment for future generations. We believe that without our incredible natural resources such as our beaches, parks, reefs, forests, and hiking trails, our way of life would not be the same. These resources are vital to sustaining our local economy as they are greatly intertwined with the tourism industry which provides over 216,000 jobs as of 2019. Designating more funding for our invaluable environment will create hundreds of jobs, benefiting both our local communities and the tourism industry. A recent poll suggests that 88% of voters agree that visitors should pay an appropriate fee in order to give back to the cultural and natural resources that they enjoy.

This bill will help Hawaii remain a popular visitor destination for years to come while also supporting community organizations to grow their impact throughout the State. Wild Kids believes that this funding would support crucial conservation efforts that are needed to protect Hawaii's natural resources. We feel that this is an investment in Hawaii's future that will build both environmental and economic resilience for our residents and our visitor industry alike. By investing in our environment today, we can ensure that residents, visitors, and future generations are able to enjoy these islands far into the future.

Mahalo for the opportunity to testify,

Arwen Revere on behalf of Wild Kids

SB-775-SD-2

Submitted on: 4/3/2022 4:04:02 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lisa Bishop	Friends of Hanauma Bay	Support	Written Testimony Only

Comments:

Aloha Committee on Labor and Tourism Chair Onishi and Vice Chair Sayama; Committee on Finance Chair Luke and Vice Chair Yamashita; and members of the LAT/FIN Committees:

Friends of Hanauma Bay strongly supports SB775 SD2 PROPOSED HD1 that establishes and funds a Natural Resource Management Special Fund and Natural Resources Management Commission to address impacts to our natural resources and manage open space resources important to residents and the Visitor Industry to ensure a positive environmental legacy to future generations. Allocating \$30,000,000 annually in transient accomodation tax revenues to the NRM Special Fund managed by a NRM Commission is absolutely critical since less than 1% of our State's budget is allocate to DLNR for natural resource management.

We urge you to support SB775 SD2 Proposed HD1 as well!

With Aloha,

Lisa Bishop

President

Friends of Hanauma Bay

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TRANSIENT ACCOMODATIONS, Reallocates TAT earmarks

BILL NUMBER: SB 775 SD 2, Proposed HD 1

INTRODUCED BY: House Committees on Labor & Tourism and Finance

EXECUTIVE SUMMARY: 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.

SYNOPSIS: Adds three new sections to chapter 201B, HRS, establishing a natural resource management special fund, and defining the powers and duties of the natural resource management commission.

Amends section 237D-6.5, HRS, to (1) delete the \$3 million earmark to the special land and development fund (section 171-19, HRS); (2) earmarks \$30 million to the natural resource management special fund established by the bill; and (3) earmarks \$60 million to the Hawaii Tourism Authority.

EFFECTIVE DATE: July 1, 2050.

STAFF COMMENTS: As with any earmarking of revenues, the legislature will be preapproving each of the initiatives fed by the tax earmark, so expenses from the funds largely avoid legislative scrutiny, and the effectiveness of the programs funded becomes harder to ascertain. It is also difficult to determine whether too little or too much revenue has been diverted from other priorities in the state budget.

If the legislature deems the programs and purposes funded by this special fund to be a high priority, then it should maintain the accountability for these funds by appropriating the funds as it does with other programs. Earmarking revenues merely absolves elected officials from setting priorities. If the money were appropriated, lawmakers would have to evaluate the real or actual needs of each program and compare them against other pressing issues of the day such as crumbling education infrastructure, economic devastation wrought by COVID-19, and the continual danger of invasive species.

Digested: 4/1/2022

SB-775-SD-2

Submitted on: 4/1/2022 1:10:32 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Gerard Silva	Individual	Oppose	Written Testimony Only

Comments:

The People of Hawaii should not be paying for this Usless Rail project. What we need is a Federal Investigation in to were did this money go and whos Pockets it end up in. The Govener and his administration should be Investigated for this!!!

SB-775-SD-2

Submitted on: 4/1/2022 1:24:59 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
L Basha	Individual	Support	Written Testimony Only

Comments:

This appears to be shifting the revenue from the transient tax to supporting the protection and restoration of our natural resources. This is an excellent way for Hawai'i to invest in its future for both the locals and the tourists.

Lawrence Basha

Kailua

**Testimony in Support of SB 775, Relating to the Transient Accommodations Tax
Committee on Labor & Tourism
Committee on Finance**

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

My name is Carissa Cabrera and I am testifying in strong support of SB 775 HD1 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources.

Our beaches, parks, reefs, forests, hiking trails, and other natural resources are paramount to sustaining our way of life and, similarly, our economic engine. These resources are deeply intertwined with our visitor sector - the jobs that depend on it are not possible without Hawai'i's iconic natural resources. The funding for our irreplaceable environment will **create hundreds, of jobs in our environmental sector, helping both our communities and tourism industry.** Further, our residents overwhelmingly support a green fee, with recent polling results highlighting that **88% of voters agree visitors should pay their fair share to maintain our cultural and natural resources.** It is overwhelmingly clear that our local residents want visitors to participate in offsetting the pressure of the industry on our home.

SB775 creates a pathway for Hawai'i to be sustained as a visitor destination into the future, while empowering our community organizations to scale their work throughout our State. This innovative funding stream would support critical conservation efforts needed to maintain Hawai'i as a healthy, sustainable region into the future. A transformational investment in Hawai'i's natural resources provides a pathway to build environmental and economic resilience for our local communities and our visitor industry. By investing in our environment today, we can ensure that residents and visitors are able to enjoy our incomparable natural environment and island lifestyle for decades to come.

Mahalo for the opportunity to testify,

Carissa Cabrera

SB-775-SD-2

Submitted on: 4/2/2022 8:04:39 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Shannon Toriki	Individual	Support	Written Testimony Only

Comments:

I strongly support this bill! It is critically important to protect and care for the resources that make Hawaii so special to kama'āina and the world. Not only will help ensure the health and sustainability of our home, but will enable us to protect, preserve and perpetuate our natural resources for future descendants and our visitors alike. This just makes good sense for our communities and to offset the harms that massive visitor attendance numbers have on our 'āina.

Our beaches, parks, reefs, forests, hiking trails, and other natural resources are paramount to sustaining our way of life and, similarly, our economic engine. These resources are deeply intertwined with our visitor sector - the jobs that depend on it are not possible without Hawai'i's iconic natural resources. The funding for our irreplaceable environment will create hundreds, of jobs in our environmental sector, helping both our communities and tourism industry. Further, our residents overwhelmingly support a green fee, with recent polling results highlighting that 88% of voters agree visitors should pay their fair share to maintain our cultural and natural resources. It is overwhelmingly clear that our local residents want visitors to participate in offsetting the pressure of the industry on our home.

SB775 creates a pathway for Hawai'i to be sustained as a visitor destination into the future, while empowering our community organizations to scale their work throughout our State. This innovative funding stream would support critical conservation efforts needed to maintain Hawai'i as a healthy, sustainable region into the future.

SB-775-SD-2

Submitted on: 4/2/2022 8:22:16 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jeanne Herbert	Individual	Support	Written Testimony Only

Comments:

Aloha,

I am strongly in support of SB775. Supporting natural resources in Hawai'i through tourism dollars is vital. The restoration and maintenance of our precious resources is significantly underfunded, year after year. It is time to partner with our visitors to restore, maintain and protect our priceless resources, which attract tourists from all over the world. Visitors come to Hawaii, enjoy our beaches, trails, reefs, waterfalls and lands. They leave, and our residents are left with trying to protect and maintain these resources with severely limited funds. Let's pass this resolution!

Mahalo,

Jeanne Herbert

SB-775-SD-2

Submitted on: 4/2/2022 8:28:22 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kawika Winter	Individual	Support	Written Testimony Only

Comments:

Please support this bill. DLNR is severerly underfunded and needs more support to care for the resources that are threatened by rampant tourism.

SB-775-SD-2

Submitted on: 4/2/2022 9:30:31 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Heather Mohr	Individual	Support	Written Testimony Only

Comments:

Aloha,

I am writing in **STRONG** support of Bill SB755 and a Green Fee for Hawaii. As a resident of Oahu for 18 years and a local farmer I have seen first hand the need for investment in Hawaii's land and sustainability. I believe a Green Fee will further connect visitors to the Hawaiian Islands by explaining the importance of protecting our natural resources and support a more respectful and culturally aware visitor. The current 1% of Hawaii's budget going towards conservation is appalling and Bill SB755 will help distribute much needed funds to our 'aina and organizations working to protect, educate and sustain our home.

Thank you for your consideration,

Heather Mohr

SB-775-SD-2

Submitted on: 4/2/2022 10:22:50 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Michelle Spitzer	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of SB 775, Relating to the Transient Accommodations Tax

Committee on Labor & Tourism

Committee on Finance

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

My name is Michelle Spitzer, I am Native Hawaiian, a resident of Kailua and born and raised on O'ahu and I am testifying in strong support of SB 775 HD1 as proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources.

Our beaches, parks, reefs, forests, hiking trails, and other natural resources are paramount to sustaining our way of life and, similarly, our economic engine. These resources are deeply intertwined with our visitor sector - the jobs that depend on it are not possible without Hawai'i's iconic natural resources. The funding for our irreplaceable environment will create hundreds, of jobs in our environmental sector, helping both our communities and tourism industry. Further, our residents overwhelmingly support a green fee, with recent polling results highlighting that 88% of voters agree visitors should pay their fair share to maintain our cultural and natural resources. It is overwhelmingly clear that our local residents want visitors to participate in offsetting the pressure of the industry on our home.

SB775 creates a pathway for Hawai'i to be sustained as a visitor destination into the future, while empowering our community organizations to scale their work throughout our State. This

innovative funding stream would support critical conservation efforts needed to maintain Hawai'i as a healthy, sustainable region into the future. A transformational investment in Hawai'i's natural resources provides a pathway to build environmental and economic resilience for our local communities and our visitor industry. By investing in our environment today, we can ensure that residents and visitors are able to enjoy our incomparable natural environment and island lifestyle for decades to come.

We need to lead the way in sustaining our islands, not follow. It is critical that we maintain the critical tourism aspect of our economy but not allow its importance to scare us away from making the decisions that will keep our home and people intact. We all know that the visitor industry needs to change, the toll is too high as it stands. This is a good first step in that direction.

Mahalo for the opportunity to testify,

Michelle

SB-775-SD-2

Submitted on: 4/2/2022 10:13:29 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kaili Kosaka	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of SB 775, Relating to the Transient Accommodations Tax

Committee on Labor & Tourism

Committee on Finance

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

My name is Kaili; and I am testifying in strong support of SB 775 HD1 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources.

As a keiki o ka aina, I have seen first hand the destruction caused by the influx of visitors we receive every year. I have also worked in the conservation career field for many year and feel it is chronically underfunded. We have to preserve our natural environments for the people of Hawaii now & into the future, or there will be no pristine beaches/ areas for tourists to visit.

Our beaches, parks, reefs, forests, hiking trails, and other natural resources are paramount to sustaining our way of life and, similarly, our economic engine. These resources are deeply intertwined with our visitor sector - the jobs that depend on it are not possible without Hawai'i's iconic natural resources. The funding for our irreplaceable environment will create hundreds, of jobs in our environmental sector, helping both our communities and tourism industry. Further, our residents overwhelmingly support a green fee, with recent polling results highlighting

that 88% of voters agree visitors should pay their fair share to maintain our cultural and natural resources. It is overwhelmingly clear that our local residents want visitors to participate in offsetting the pressure of the industry on our home.

SB775 creates a pathway for Hawai'i to be sustained as a visitor destination into the future, while empowering our community organizations to scale their work throughout our State. This innovative funding stream would support critical conservation efforts needed to maintain Hawai'i as a healthy, sustainable region into the future. A transformational investment in Hawai'i's natural resources provides a pathway to build environmental and economic resilience for our local communities and our visitor industry. By investing in our environment today, we can ensure that residents and visitors are able to enjoy our incomparable natural environment and island lifestyle for decades to come.

I implore you to do the right thing for the people of Hawaii and all future generations that call this incredibly special place home. We have the power to create meaningful change for our natural environments with this bill.

Mahalo for the opportunity to testify,

Kaili Kosaka

SB-775-SD-2

Submitted on: 4/2/2022 10:33:50 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
madison kearsey	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of SB 775, Relating to the Transient Accommodations Tax

Committee on Labor & Tourism

Committee on Finance

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

Madison Kearsey; and I am testifying in strong support of SB 775 HD1 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai‘i’s natural resources.

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SB775 creates a pathway for Hawai‘i to be sustained as a visitor destination into the future, while empowering our community organizations to scale their work throughout our State.

This innovative funding stream would support critical conservation efforts needed to maintain Hawai'i as a healthy, sustainable region into the future. A transformational investment in Hawai'i's natural resources provides a pathway to build environmental and economic resilience for our local communities and our visitor industry. By investing in our environment today, we can ensure that residents and visitors are able to enjoy our incomparable natural environment and island lifestyle for decades to come.

Mahalo for the opportunity to testify,

Madison Kearsey

SB-775-SD-2

Submitted on: 4/2/2022 12:21:51 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Valerie LaFerney	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of SB 775, Relating to the Transient Accommodations Tax

Committee on Labor & Tourism

Committee on Finance

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

My name is Valerie LaFerney and I am an AmeriCorps VISTA serving in Honolulu; and I am testifying in strong support of SB 775 HD1 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources.

Our beaches, parks, reefs, forests, hiking trails, and other natural resources are paramount to sustaining our way of life and, similarly, our economic engine. These resources are deeply intertwined with our visitor sector - the jobs that depend on it are not possible without Hawai'i's iconic natural resources. The funding for our irreplaceable environment will create hundreds, of jobs in our environmental sector, helping both our communities and tourism industry. Further, our residents overwhelmingly support a green fee, with recent polling results highlighting that 88% of voters agree visitors should pay their fair share to maintain our cultural and natural resources. It is overwhelmingly clear that our local residents want visitors to participate in offsetting the pressure of the industry on our home.

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Through serving in Hawaii as an AmeriCorps VISTA, I can see firsthand the need for the funding that SB775 would provide for Natural Resource Management within our state. With tourism as an important economic driver for Hawaii, this bill would ensure that visitors contribute to the environmental health of our islands, helping to "leave it better than they found it". Protecting our watersheds and marine resources through increased funding will have domino effects, helping Hawaii to meet many of our goals for 2030.

Mahalo for the opportunity to testify,

Valerie LaFerney

SB-775-SD-2

Submitted on: 4/2/2022 12:32:37 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Josh Stanbro	Individual	Support	Written Testimony Only

Comments:

Stong support for ensuring that every single tourist pays a fee that goes directly to environmental protection in the islands--it should be through a license assessed on every visitor and not solely tied to TAT which might not get paid by each visitor to the islands.

Mahalo for the chance to tesify in support.

SB-775-SD-2

Submitted on: 4/2/2022 1:34:02 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
gabriela echeverry	Individual	Support	Remotely Via Zoom

Comments:

It is no surprise that tourism takes a big toll on spaces and places. Despite the "development" it might bring to a territory, it also comes with sacrifices, that Nature and the environment have to withstand. As a full time traveler, explorer, underwater photographer, seafarer, dive master and lawyer, I have seen this happening in many places in the world. And now, being a resident of Maui, HI, and been given the opportunity to make a change in how that tourism print can actually make things slightly better, I am FOR this bill. Justice and accountability must be made.

SB-775-SD-2

Submitted on: 4/2/2022 1:17:14 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Avery Kent Filer	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of SB 775, Relating to the Transient Accommodations Tax

Committee on Labor & Tourism

Committee on Finance

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

My name is Avery Filer, and I am testifying in strong support of SB 775 HD1 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources.

Our beaches, parks, reefs, forests, hiking trails, and other natural resources are paramount to sustaining our way of life and, similarly, our economic engine. These resources are deeply intertwined with our visitor sector - the jobs that depend on it are not possible without Hawai'i's iconic natural resources. The funding for our irreplaceable environment will create hundreds, of jobs in our environmental sector, helping both our communities and tourism industry. Further, our residents overwhelmingly support a green fee, with recent polling results highlighting that 88% of voters agree visitors should pay their fair share to maintain our cultural and natural resources. It is overwhelmingly clear that our local residents want visitors to participate in offsetting the pressure of the industry on our home.

SB775 creates a pathway for Hawai'i to be sustained as a visitor destination into the future, while empowering our community organizations to scale their work throughout our State. This innovative funding stream would support critical conservation efforts needed to maintain Hawai'i as a healthy, sustainable region into the future. A transformational investment in Hawai'i's natural resources provides a pathway to build environmental and economic resilience for our local communities and our visitor industry. By investing in our environment today, we can ensure that residents and visitors are able to enjoy our incomparable natural environment and island lifestyle for decades to come.

Mahalo for the opportunity to testify,

Avery Filer

SB-775-SD-2

Submitted on: 4/2/2022 1:44:14 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Alex Filardo	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

I am testifying in strong support of SB 775 HD1 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources.

I especially like that this bill would uspport community grant programs to fund those doing the groundwork. We have so many great organizations working throughout the state to conserve our natural and cultural resources and it is important to use the funds provided by tourists who use these resources to help protect them.

Our beaches, parks, reefs, forests, hiking trails, and other natural resources are paramount to sustaining our way of life and, similarly, our economic engine. These resources are deeply intertwined with our visitor sector - the jobs that depend on it are not possible without Hawai'i's iconic natural resources. The funding for our irreplaceable environment will create hundreds, of jobs in our environmental sector, helping both our communities and tourism industry. Further, our residents overwhelmingly support a green fee, with recent polling results highlighting that 88% of voters agree visitors should pay their fair share to maintain our cultural and natural resources. It is overwhelmingly clear that our local residents want visitors to participate in offsetting the pressure of the industry on our home.

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Mahalo for the opportunity to testify,

Alex Filardo

SB-775-SD-2

Submitted on: 4/2/2022 2:04:04 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sheldon Plentovich	Individual	Support	Written Testimony Only

Comments:

This testiimony is in subbport of bill SB775. Our natural resources are bing degraded and over-run by people, especially tourists. Having a "green fee" which has already been adopted by Palau and NZ, is a simple way to increase funding to and protection of our natural resources. The additional funds will offset visitor impacts and possibly help to restore areas so that people gain a better understanding of native ecosystems in Hawaii.

The Market Implications of Establishing a Visitor Green Fee System in Hawai'i

Introduction

Each year, Hawai'i's ocean, coastal, and terrestrial ecosystems provide billions of dollars in value to the economy from residents and visitors alike. Therefore, natural resources play a significant role in attracting millions of visitors annually (von Saltza, 2019). However, Hawai'i invests less than 1% of its annual revenue into maintaining its natural resources. It is estimated that an additional \$360 million annually would need to be added exclusively to conserve the state's natural resources (von Saltza, 2019).

One alternative solution to raising money and reduce the \$360 million annual deficiency is implementing a visitor green fee system. Visitor green fees are payments made by visitors to the local government to support conservation and natural resource management (Repetto, Dower, Jenkins, and Geoghegan, 1992). Places like Palau, New Zealand, Bhutan, and others have used visitor green fees due to visitor impact on critical ecosystems (von Saltza, 2019). An analysis by Fitzpatrick (2018) determined that a contribution of \$38.50 per visitor would cover Hawai'i's estimated annual conservation expenditure. Hawai'i is currently pushing legislation to implement a visitor green fee through transient accommodations. If passed, House Bill (H.B.) 805 (2021) would establish a ten-year pilot program of charging a \$40 green fee to each guest of a transient accommodation beginning on July 1, 2021. H.B. 805 was introduced to accumulate necessary State funding to preserve the ecosystems and biocultural resources of Hawai'i, which are constantly impacted and used by the visitor industry. The fee would be collected and stored into the Conservation Workforce Special Fund, which would be invested to advance the Aloha+ Challenge Natural Resource Management Target, to form a public-private advisory committee,

and create future conservation jobs. This paper will discuss the tourism market implications of establishing a new visitor green fee system due to H.B. 805 (2021) and the feasibility of creating the first of such a system in the United States. Lastly, this paper will evaluate another option of reallocating funds generated from the Transient Accommodation Tax (TAT) to address the \$360 million budget shortfall.

The Current Tax System

In the United States, the federal government relies mainly on personal and corporate income and payroll taxes. State and local governments further impose sales, excise, and property taxes (Repetto et al., 1992). Despite the continual rising taxes, the United States still deals with various systematic issues, including poor quality of education, the high cost and access to health care, deteriorating public infrastructure, and diminishing natural resources (Repetto et al., 1992). As a result, many citizens in the United States are discouraged by the current tax system because they are not receiving meaningful benefits for their tax dollars (Repetto et al., 1992). Repetto et al. (1992) recommend the use of green fees. Green fees shift from taxing activities that are encouraged to discouraged activities such as pollution, waste, and congestion. The current tax system is driven mainly by taxing activities that make the economy productive and, at the same time, diminishes the environment. Instead, the implementation of green fees can create a system to encourage economic productivity through environmental conservation and protection (Repetto et al., 1992). Many states and local municipalities in the United States have accepted green fees (Repetto et al., 1992) and other countries around the globe (von Saltza, 2019).

Meanwhile, in Hawai‘i, the general excise tax, individual and corporate income tax, the TAT, and property tax makeup 85% of the state and local revenue. Other taxes, including fuel tax, motor vehicle taxes, insurance premiums tax, unemployment tax, alcohol tax, tobacco tax,

and others, make up the other 15% of state collection (*Figure 1*). The majority of taxes are levied on consumption, thirty-four percent of the taxes are levied on income, and a tiny percentage is levied on wealth.

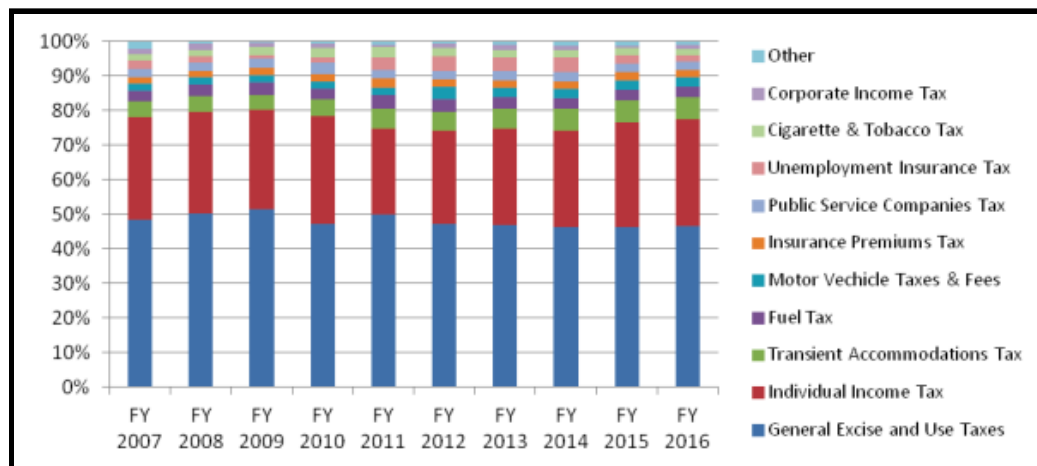


Figure 1: Composition of State Revenues

Source: Colby (2017)

The State of Hawai‘i receives the highest percentage of state and local revenue in the country at 76.8% (*Figure 2*). Due to the high concentration of revenue collection, the State finances many public services. For instance, the State provides 100% of funding towards primary and secondary education. In comparison to other states, Hawai‘i collects more revenue from general sales taxes (38%) and other taxes (22%) and collects less revenue from property taxes (17%), individual income tax (21%), and corporate income tax (2%). Special programs are created through certain taxes like the fuel tax is directed towards road construction and maintenance, and the unemployment tax revenue is budgeted towards unemployment insurance. Other taxes, such as the alcohol and tobacco tax, are meant to discourage specific types of

behavior while raising revenue. Lastly, property taxes are administered in the State of Hawai'i due to a constitutional mandate (Colby, 2017).

This paper is specifically interested in the TAT. The TAT is the third-largest source of tax revenue. The TAT has proliferated in recent years due to rising room rates, a more significant number of rented-out rooms, and a rate increase in 2009 and 2010 (Colby, 2017). The TAT is imposed on the gross rental proceeds from a transient accommodation, on the fair market rental value of a timeshare vacation unit, and on the gross recipients of brokers, travel agents, and tour packagers arranging accommodations at noncommissioned contracted rates (Department of Taxation, 2020). A transient accommodation is a room, apartment, house, condominium, beach house, hotel room, suite, or other similar living accommodations rented to a transient person for less than 180 consecutive days (Department of Taxation, 2020). Department of Taxation (2020) describes a transient person as a person who is temporarily renting out a transient accommodation but has a permanent residence somewhere. The gross rental proceeds are the amounts in cash, goods, or services received for renting or furnishing a transient accommodation without any deductions for costs (Department of Taxation, 2020). Gross rental proceeds do not include charges for guest amenities. Still, they have fees such as maintenance fees, cleaning fees, management fees, and resort fees charged separately to guests and tenants (Department of Taxation, 2020).

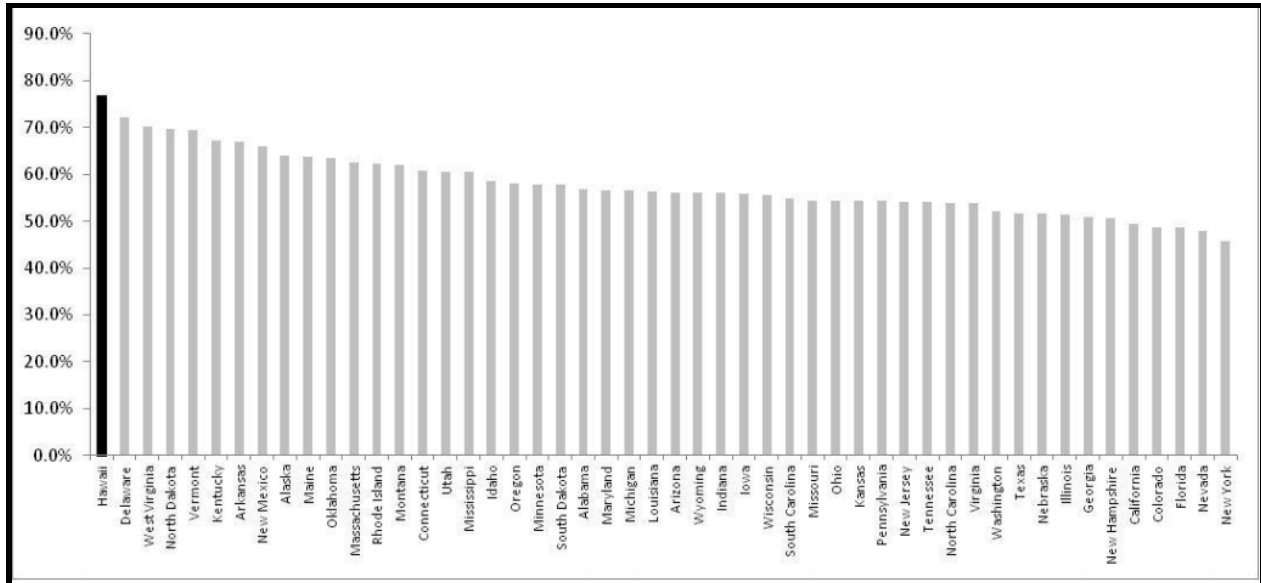


Figure 2: Total State Revenue Comparison

Source: Colby (2017)

Hawai‘i’s TAT rate has nearly doubled since 1986 and the current rate is 10.25% (*Figure 3*) (Department of Taxation, 2020). O‘ahu generates the most TAT revenue at 47.6%, followed by Maui (31%), Hawai‘i island (12.2%), and Kaua‘i (9.2%) (Colby, 2017). In 2017, TAT revenue totaled \$527 million (Colby, 2017). All the counties received \$93 million from TAT funds, in which Honolulu received 44.1%, Maui received 22.8%, Hawai‘i received 18.6%, and Kaua‘i received 14.5% (Colby, 2017). Meanwhile, a Tourism Special Fund received \$82 million, the Convention Center Enterprise Special Fund received \$25.6 million, the Department of Land and Natural Resources received \$3 million, the Turtle Bay Conservation Fund received \$2 million, and the remaining \$322.1 million goes to the General Fund (Colby, 2017) (*Figure 4*).

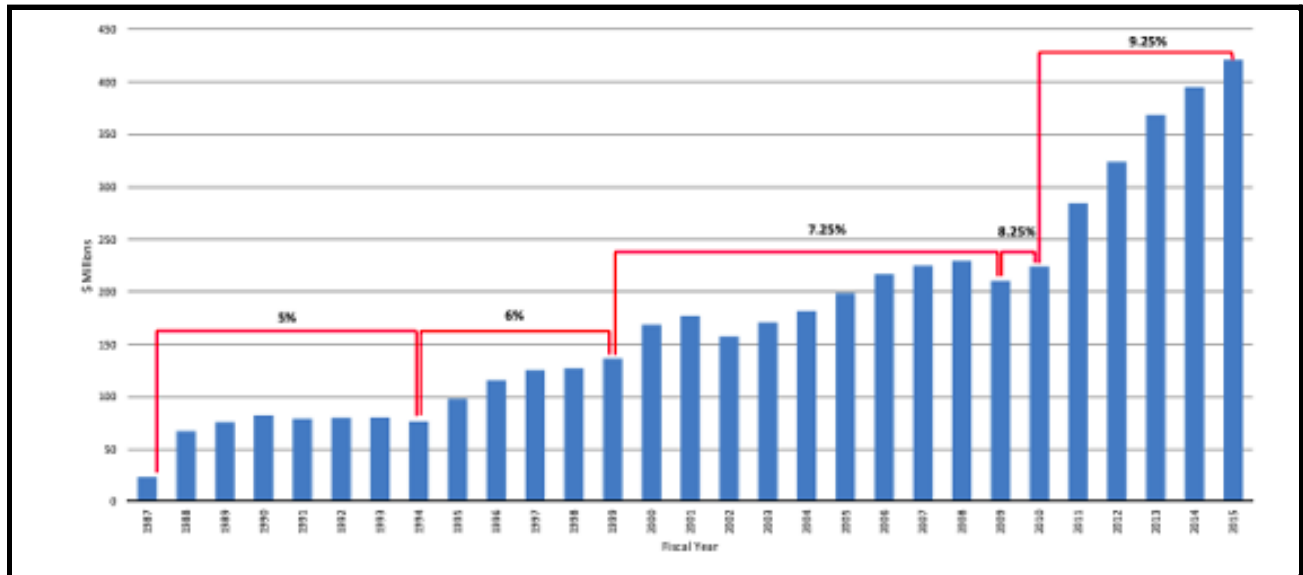


Figure 3: TAT Collections and Rates from 1987 to 2015

Source: Department of Taxation (2020)

Colby (2017) stated that increases in TAT rates do not adversely affect visitor arrivals or spending at the current rates. The TAT rates have increased three times in 1999, 2010, and 2011, and visitor arrivals have increased after each rate increase, which indicates that the demand to visit Hawai‘i’s natural topography and culture is far more significant than the costs involved. Colby (2017) stated that the TAT performs well in economic efficiency, fairness, and administrative burden. The TAT has the advantage of being primarily driven by non-resident visitors and does not directly target residents in low-income households. The TAT also offers relatively low compliance and administrative costs by the State government. The key risk of the TAT is that the TAT revenue is more volatile than the general excise tax and is sensitive to economic downturns as evidenced by the COVID-19 pandemic.

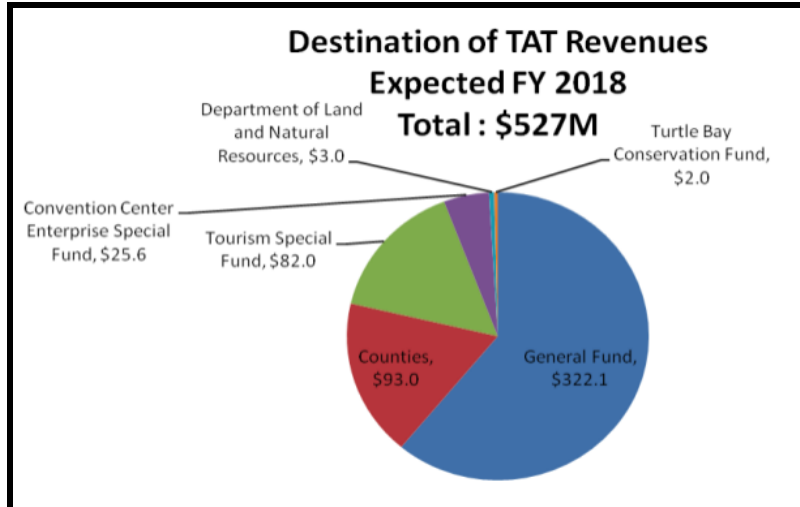


Figure 4: The Division of the TAT Revenue in 2018

Source: Colby (2017)

Visitor Green Fee Systems

Given Hawai‘i’s current tax system and the breakdown of the TAT revenue, there is high potential in suggesting implementing a visitor green fee system through H.B. 805 (2021). Von Saltza (2019) reviewed 14 national and subnational green fee systems to understand different models and approaches better to create a green fee program in Hawai‘i. Green fees may also be referred to as eco-taxes, tourist taxes, green tax, environmental levies, conservation and tourism levies, and entry fees. Green fees are assessed at hotels, ports of entry, airfare purchases, and electronic platforms. Also, green fees may be priced as a one-time entrance fee or on a per day/per night basis. For instance, Bhutan’s system requires visitors to go through a mandatory travel agency to pay a \$200 to \$250 green fee per day, and, in Venice, Italy, visitors produce a one-time tourist tax of \$11.

One example of a successful green fee system is Palau’s “Pristine Paradise Environmental Fee”. On a much smaller scale, Palau attracts hundreds of thousands of visitors each year to many of the same features as Hawai‘i. Palau’s green fee system was created to

support conservation and the effective management of natural resources. In 2015, Palau established the Palau National Marine Sanctuary, which protects 500,000 square kilometers of marine water. To finance the marine sanctuary, an US\$100 fee is incorporated into all international airline tickets to Palau. In addition, visitors are not issued a visa until they sign a pledge promising to respect the environment and culture of Palau. The pledge makes Palau the first nation in the world to have an immigration policy that promotes conserving the country's environment. Palau's scuba diving industry alone generates \$90 million. In addition to the green fee, an extra \$10 million would be generated for every hundred thousand visitors. Palau's green fee revenue is separated into different entities. \$10 of each \$100 is allocated to the Fisheries Protection Fund, which funds the Palau National Marine Sanctuary and the laws related to it, administer activities related to the enforcement of the sanctuary, and promote eco-tourism. \$12.50 is divided among the state governments, \$25 funds the maintenance and improvements of the Palau International Airport, \$22.50 is allocated to the National Treasury, and the last \$30 is managed by the Protected Areas Network, a non-profit organization to act as a financial trustee (von Saltza, 2019).

In the United States, there is no mandatory visitor green fee system that exists. There are constitutional clauses that prevent states from enacting laws that discriminate against foreigners or U.S. non-residents. Three U.S. constitutional provisions and one U.S. federal statute restricts U.S. states from implementing visitor-only fees or assessing fees at airports: The Privileges and Immunities Clause, Article IV, Section 2, Clause 1; the Dormant Commerce Clause, Article 1, Section 8, Clause 3; and the Equal Protection Clause of the 14th Amendment. Given the legal challenges, states have explored alternatives to financing conservation efforts through special taxes and fees, green bonds, carbon pricing programs, and carbon offset programs.

In Hawai‘i’s case, imposing an additional tax places an extra burden on residents and visitors and will most likely not be pursued. Also, using green bonds to fund conservation goals would be very beneficial if there was a consistent repayment mechanism, such as a visitor green fee. Lastly, carbon offset programs are more attractive than carbon pricing programs in Hawai‘i since the State aims to reach carbon neutrality by 2045 (von Saltza, 2019).

Capturing and Managing a Green Fee in Hawai‘i

Current legal understandings through the U.S. Constitution prevent Hawai‘i from assessing a green fee at airports, on the sale of airfare, or imposing a fee on non-residents. Therefore, H.B. 805 (2021) creates a pathway that sets a green fee that does not necessarily exclude residents but instead captures most revenue from visitors at transient accommodations. Imposing a fee, rather than a tax, stops the additional burden on accommodations who are already required to assess the TAT and the general excise tax.

Under H.B. 805 (2021), a green fee of \$40 per visitor in a transient accommodation will not likely make a significant difference in the stay’s total pre-tax cost. For instance, if the typical visit for a couple in Hawai‘i is between seven to 10 days with a room that costs \$100 a night, the green fee would range from seven to 10 percent of the pre-tax room costs. If the couple chooses to upgrade to a luxury room costing \$400 a night, the green fee will represent less than two percent (von Saltza, 2019). In addition, this paper suggests that the implementation of a visitor green fee system will not impact visitor arrivals and spending. Similar to the TAT rate increases over time, the benefits of traveling to Hawai‘i are far greater than the costs associated with having to pay a visitor green fee. Hawai‘i currently does not have a cap on outside visitors, which is beneficial in administering the green fee to maximize revenue, but detrimental to the external pressure on natural resources.

H.B. 805 (2021) can be revised to administer a visitor green fee system that does not drastically increase the total pre-tax cost of a guest in transient accommodations. A standard that the State could follow is to administer the fee when the total pre-tax cost of the transient accommodation exceeds greater or equal to 90 percent of the cost of the green fee per person. This specific standard targets guests who tend to stay longer than in a transient accommodation, e.g., approximately a week or more. This standard would still capture a majority of revenue from outside visitors as the typical stay from visitors is between seven to 10 days. In addition, the State of Hawai'i could launch a green visitor electronic platform that educates visitors and residents on environmental issues and respectable tourist practices. The platform could have payment options to pay the green fee and show how the green fee revenue benefits the visitor and the environment. Like Palau and New Zealand, the electronic platform could be accessible on smartphones, kiosks, and Ipads.

Von Saltza (2019) stated that more research is needed to understand the political feasibility of assessing a green fee at transient accommodations. Earlier, it was discussed that H.B. 805 (2021) places a green fee on extremely short accommodation time-frames e.g. six or fewer days, which more than likely would significantly influence the total pre-tax room costs. Another limitation of H.B. 805 (2021) is that the bill does not indicate how the Conservation Workforce Special Fund will be separated to address specific conservation efforts, similar to how Palau divided their revenue. Lastly, H.B. 805 (2021) is not the first of its kind to introduce a green fee. In 2017, H.B. 1453 attempted to impose a \$20 green fee to each guest at a transient accommodation but died (von Saltza, 2019).

Alternative Solutions

One alternative solution that strays away from establishing a visitor green fee system is the amending of an existing policy that already captures mandatory conservation revenue from visitors, the TAT. As described below, less than one percent of the total TAT revenues in 2018 were allocated towards conservation efforts (Colby, 2017). Also, increasing the TAT did not influence visitor arrivals (Colby, 2017). By re-allocating or conditioning the TAT revenue to be a more consistent source of conservation finance, other smaller solutions could be introduced and sought out to help the State of Hawai‘i reach the \$360 million budget deficit. Unfortunately, there has been a history of failed attempts to reallocate TAT funding towards conservation. However, no measures to condition funding to environmental criteria exist, which is a possible pathway in the future (von Saltza, 2019).

Conclusion

Hawai‘i’s natural resources face tremendous stress and degradation as a result of millions of visitors annually. However, the State of Hawai‘i invests only 1% of its annual budget towards conservation efforts and now it is estimated that an annual budget of \$360 million must be allocated to maintain critical ecosystems. H.B. 805 (2021) introduces a visitor green fee system that would charge a one-time fee of \$40 to all guests in a visitor accommodation, which would be adequate to fund the \$360 million budget deficit from a study by Fitzpatrick (2018). However, multiple political and legal barriers create difficult challenges for Hawai‘i to establish a new visitor green fee system. An alternative solution to “greening” the TAT would add revenue to the conservation budget but would not be significant enough to fund the \$360 million entirely. More research and a more considerable push towards passing legislation are more needed to continue the tourism industry that the State of Hawai‘i is truly dependent on.

References

- Colby (2017). *The Economic Trade-Offs of Hawai'i's Major Tax Types*. Hawai'i State Department of Taxation.
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SB-775-SD-2

Submitted on: 4/2/2022 3:12:51 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jonilee Polanco	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

My name is Jonilee Polanco, I am a resident of Oahu residing in Ewa Beach; and I am testifying in strong support of SB 775 HD1 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources.

Our beaches, parks, reefs, forests, hiking trails, and other natural resources are paramount to sustaining our way of life and, similarly, our economic engine. These resources are deeply intertwined with our visitor sector - the jobs that depend on it are not possible without Hawai'i's iconic natural resources. The funding for our irreplaceable environment will create hundreds, of jobs in our environmental sector, helping both our communities and tourism industry. Further, our residents overwhelmingly support a green fee, with recent polling results highlighting that 88% of voters agree visitors should pay their fair share to maintain our cultural and natural resources. It is overwhelmingly clear that our local residents want visitors to participate in offsetting the pressure of the industry on our home.

SB775 creates a pathway for Hawai'i to be sustained as a visitor destination into the future, while empowering our community organizations to scale their work throughout our State. This innovative funding stream would support critical conservation efforts needed to maintain Hawai'i as a healthy, sustainable region into the future. A transformational investment in Hawai'i's natural resources provides a pathway to build environmental and economic resilience for our local communities and our visitor industry. By investing in our environment today, we can ensure that residents and visitors are able to enjoy our incomparable natural environment and island lifestyle for decades to come.

The evidence of the dangers of extractive tourism are clear and pose a very real threat to our aina and all of our relations that reside in and around it, human and otherwise. How we treat the lives around us is the only responsibility we are intrinsically born with, and by which we will be most judged in the end--the measure of our lives is based on the impact we made on our environment and those living within it; be sure your decision is one that aligns with your values and who you want to become in the world. Of the coral we currently have in the ocean, an estimated 50% will be dead (bleached) by 2050. What world will you choose to leave to your children, one that floods with life all around them, or pollution?

Mahalo for the opportunity to testify,

Jonilee Polanco

SB-775-SD-2

Submitted on: 4/2/2022 3:29:51 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Shannon McClish	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

I am testifying in strong support of SB 775 HD1 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources.

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Mahalo for the opportunity to testify,

Shannon McClish

SB-775-SD-2

Submitted on: 4/2/2022 5:35:41 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Mark Szegedi-Duffield	Individual	Support	Written Testimony Only

Comments:

Passing this bill would secure vital and necessary funding for redistribution among Environmental NPOs who already face a monumental uphill struggle in their concerted efforts to preserve and enhance our State's beautiful and unique ecosystems and natural resources therein.

While 30M is but a drop in the ocean, it does represent a step in the right direction and goes some way towards offsetting the footprint left by the necessary evil of tourism, upon which the Islands depend.

SB-775-SD-2

Submitted on: 4/2/2022 7:44:34 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lorraine Waianuhea	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

I am testifying in strong support of SB 775 HD1 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources.

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SB775 would support critical conservation efforts needed to maintain Hawai'i as a healthy, sustainable region into the future. A transformational investment in Hawai'i's natural resources provides a pathway to build environmental and economic resilience for our local communities and our visitor industry. By investing in our environment today, we can ensure that residents and visitors are able to enjoy our incomparable natural environment and island lifestyle for decades to come.

Mahalo for the opportunity to testify,

Lorraine Waianuhea

SB-775-SD-2

Submitted on: 4/2/2022 7:56:14 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kristina Rau	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of SB 775, Relating to the Transient Accommodations Tax

Committee on Labor & Tourism

Committee on Finance

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

I, Kristina Rau, am testifying in strong support of SB 775 HD1 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai‘i’s natural resources.

Our beaches, parks, reefs, forests, hiking trails, and other natural resources are paramount to sustaining our way of life and, similarly, our economic engine. These resources are deeply intertwined with our visitor sector - the jobs that depend on it are not possible without Hawai‘i’s iconic natural resources. The funding for our irreplaceable environment will create hundreds, of jobs in our environmental sector, helping both our communities and tourism industry. Further, our residents overwhelmingly support a green fee, with recent polling results highlighting that 88% of voters agree visitors should pay their fair share to maintain our cultural and natural resources. It is overwhelmingly clear that our local residents want visitors to participate in offsetting the pressure of the industry on our home.

SB775 creates a pathway for Hawai‘i to be sustained as a visitor destination into the future, while empowering our community organizations to scale their work throughout our State. This

innovative funding stream would support critical conservation efforts needed to maintain Hawai'i as a healthy, sustainable region into the future. A transformational investment in Hawai'i's natural resources provides a pathway to build environmental and economic resilience for our local communities and our visitor industry. By investing in our environment today, we can ensure that residents and visitors are able to enjoy our incomparable natural environment and island lifestyle for decades to come.

Mahalo for the opportunity to testify,

Kristina Rau

SB-775-SD-2

Submitted on: 4/2/2022 7:57:22 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
jessica middleton	Individual	Support	Written Testimony Only

Comments:

This is absolutely necessary. Hawaii needs to allocate way more funds towards our natural recourses.

SB-775-SD-2

Submitted on: 4/2/2022 9:02:52 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Corrina Carnes	Individual	Support	Written Testimony Only

Comments:

Aloha,

I would like to express strong support of SB775 SD2, and specifically, for allocating moneys to natural resource management, establishing a fund and commission to direct use of the fees collected transparently, and supporting our community through grant programs working to protect and restore Hawai'i's natural resources. I urge you to pass this legislation in support of both our community and a sustainable visitor industry.

Mahalo,

Corrina Carnes

Waialua

SB-775-SD-2

Submitted on: 4/2/2022 9:45:41 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Noel Shaw	Individual	Support	Written Testimony Only

Comments:

Protect what makes Hawai'i desirable, our 'āina natural resources!

SB-775-SD-2

Submitted on: 4/3/2022 8:43:47 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kahi Pacarro	Individual	Support	Written Testimony Only

Comments:

I find it wild when I realize that laws like these are not already in action and I applaud the community leaders that are bringing these issues to light. I support this bill and encourage all to support it. Without healthy natural resources, our state collapses. Therefore, we should utilize funds garnered through their exploitation to help sustain their existence at a minimum.

SB-775-SD-2

Submitted on: 4/3/2022 8:52:34 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
brandon najarian	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of SB 775, Relating to the Transient Accommodations Tax

Committee on Labor & Tourism

Committee on Finance

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

My name is Brandon Najarian, a born and raised resident of O'ahu; and I am testifying in strong support of SB 775 HD1 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources.

Our beaches, parks, reefs, forests, hiking trails, and other natural resources are paramount to sustaining our way of life and, similarly, our economic engine. These resources are deeply intertwined with our visitor sector - the jobs that depend on it are not possible without Hawai'i's iconic natural resources. The funding for our irreplaceable environment will create hundreds, of jobs in our environmental sector, helping both our communities and tourism industry. Further, our residents overwhelmingly support a green fee, with recent polling results highlighting that 88% of voters agree visitors should pay their fair share to maintain our cultural and natural resources. It is overwhelmingly clear that our local residents want visitors to participate in offsetting the pressure of the industry on our home.

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Hawai'i as a healthy, sustainable region into the future. A transformational investment in Hawai'i's natural resources provides a pathway to build environmental and economic resilience for our local communities and our visitor industry. By investing in our environment today, we can ensure that residents and visitors are able to enjoy our incomparable natural environment and island lifestyle for decades to come.

For too long, we have been taking and monetizing Hawaii's beauty with little regard for its protection and preservation. We need to protect what makes us so unique and special, and this fee will provide a means to do just that.

Mahalo for the opportunity to testify,

Brandon Najarian]

SB-775-SD-2

Submitted on: 4/3/2022 8:53:50 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ilana Nimz	Individual	Support	Written Testimony Only

Comments:

I support a green fee to care for our natural environment. In the face of climate change, funding to preserve and enhance reefs, forests, parks, etc. is necessary to sustain the inhabitants of Hawaii, and maintain our islands for tourism.

SB-775-SD-2

Submitted on: 4/3/2022 9:21:14 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ayrica Cecil	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of SB 775, Relating to the Transient Accommodations Tax

Committee on Labor & Tourism

Committee on Finance

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

Ayrica Cecil, a long-term resident of Hawaii Island; and I am testifying in strong support of SB 775 HD1 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources.

Our beaches, parks, reefs, forests, hiking trails, and other natural resources are paramount to sustaining our way of life and, similarly, our economic engine. These resources are deeply intertwined with our visitor sector - the jobs that depend on it are not possible without Hawai'i's iconic natural resources. The funding for our irreplaceable environment will create hundreds, of jobs in our environmental sector, helping both our communities and tourism industry. Further, our residents overwhelmingly support a green fee, with recent polling results highlighting that 88% of voters agree visitors should pay their fair share to maintain our cultural and natural resources. It is overwhelmingly clear that our local residents want visitors to participate in offsetting the pressure of the industry on our home.

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Mahalo for the opportunity to testify,

Ayrica Cecil

SB-775-SD-2

Submitted on: 4/3/2022 9:56:34 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ashley Romero	Individual	Support	Written Testimony Only

Comments:

Aloha,

I am writing this message in support of SB775HD2 proposed relating to transient accommodations tax which would allocate money to natural resource management, establish a fund commission to direct use of fees collected transparently and support our community through grant programs working to protect and restore Hawaii's natural resources.

The ecosystem services provided by the natural resources of Hawaii brings us food, provides us with water, protects us from natural disasters, provides jobs, keeps the tourism industry booming, and improves overall mental health from the many benefits that being in and surrounded by nature brings. Funding from SB775SD2 will help create hundreds of jobs, and help Hawaii move towards a more sustainable and enjoyable future.

Environmental pressures from the tourism industry includes pollution, overuse of resources, transportation of invasive species, environmental degradation, and much more. Residents who live in Hawaii every day overwhelmingly support this green fee. The residents of Hawaii are just as important as the visitors if not more so because these residents are the ones maintaining the land, working these jobs, and making tourism possible.

As a masters student in Wildlife Biology the unique biological diversity of these islands must be stated as well. These islands also have some of the most unique biodiversity in the world, yet we have also earned the name of "the extinction capitol". Many of our unique species are disappearing right before our eyes and this is due to the pressures that human impact has had on our environment.

Support bill SB775SD2 and invest in the environment so that we may continue to enjoy it for many decades to come. Mahalo,

Ashley Cozette Romero

SB-775-SD-2

Submitted on: 4/3/2022 10:43:50 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Marissa Miller	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of SB 775, Relating to the Transient Accommodations Tax

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

My name is Marissa Miller, and I was born and raised here on O'ahu in Niu Valley. I have a bachelors degree in Environmental Management and Protection and am currently working here on O'ahu for two environmental nonprofit organizations: Sustainable Coastlines Hawaii and Conservation International. I am testifying in strong support of SB 775, relating to the Transient Accommodations Tax, which would allocate funds to natural resource management and support local nonprofit organizations working to protect and restore Hawai'i's natural resources. As a young conservation professional, this is very important to me and to my colleagues— as well as to my entire generation.

Hawai'i's natural resources and 'āina are essential for supporting our local way of life—from the air we breathe, the food we eat, as well as all of our economy, recreation, culture, history, and more. These resources also serve as the backbone of our visitor economy, but they also are threatened by unsustainable use and the inundation of visitors every year. This allocation of visitor dollars, via the TAT, towards the environment is essential and necessary to implement now, before it's too late. This funding will also support jobs in the conservation sector, like mine. The work that we do in the environmental nonprofit sector is essential for the conservation and restoration of Hawai'i's critical natural resources and the engagement and connection of community in the process. This is why I support this bill.

Mahalo nui for your time and for considering my comments today,

Marissa Miller

SB-775-SD-2

Submitted on: 4/3/2022 11:20:58 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jennifer Navarra	Individual	Support	Written Testimony Only

Comments:

ZWHI is in strong support of this bill. We would like to see this bill allow non-profits that deal with solid waste and waste water be eligible for funding since waste is a major impacts visitors leave behind. There is great potential to leverage these funds to put in place simple source reducing strategies in the tourism industry. For example free county consulting to businesses to improved waste collection systems in high density tourism areas such as hotels. Switching to refillable water stations and reusable bottles, free filtered water refill stations, Hi-5 and organic waste collection bins, switching from single-use service ware to reusables (grants to help businesses with start up costs). These are just a few ideas of potential good this bill would do if funding was available to the counties and non-profits to green the tourism industry. Mahalo, please pass this bill.

SB-775-SD-2

Submitted on: 4/3/2022 11:44:26 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Patrick Watson	Individual	Support	Written Testimony Only

Comments:

Aloha,

I support this bill which suggests it would provide funding for management and conservation of natural resources, addressing serious problems we residents face due to lack of proper regulation of tourism, abuse of natural resources, and a general assumption that more tourism is better.

As 2019 pre-covid tourist overcrowding impacts and our recent Red Hill fuel crisis demonstrated, local residents shoulder the burdens of careless detrimental pressures on our environment, far outweighing any observable benefits we seem to be receiving.

I witnessed never-ending streams of tour buses and passenger vehicles drive through the Sandy Beach parking lot as part of tour packages, stopping to let dozens of visitors use the restrooms, resulting in regular overuse/abuse the facilities by flushing unsavory items into the drains and causing flooding and closure of the restrooms and showers.

Regarding our most precious natural resource, I have heard that the Board of Water will limit residential water use during the summer by rationing, enforcing large fines on "overuse" of water, and potentially crippling the construction industry on Oahu by restricting or prohibiting water access to the building sector.

What I did not hear them say is any strategy regarding restricting the amount of water being used by tourists that are allowed to visit Oahu. I recently requested that BOW provide an estimate of how much water is used by tourists annually. Before Kama'āina are asked to bear those burdens, allowable amounts of tourists and their consumption of water resources must be prioritized. This type of strategy is an example of what I expect this measure's funding to address.

Mahalo,

Patrick Watson

SB-775-SD-2

Submitted on: 4/3/2022 12:35:46 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
jeanne wheeler	Individual	Support	Written Testimony Only

Comments:

I am in support of the proposed HD1 version of this bill... Mahalo, JW

SB-775-SD-2

Submitted on: 4/3/2022 1:30:36 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
issachar esguerra	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of SB 775, Relating to the Transient Accommodations Tax

Committee on Labor & Tourism

Committee on Finance

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

Issachar Esguerra Kupu Aina Corp NARS; and I am testifying in strong support of SB 775 HD1 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources.

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Mahalo for the opportunity to testify,

Issachar Esguerra

SB-775-SD-2

Submitted on: 4/3/2022 2:00:44 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Elizabeth Scheimer	Individual	Support	Written Testimony Only

Comments:

I am writing in strong support of this bill, and I consider it a must-pass this legislative session. It's a win-win, providing benefits for our fragile and unique environment, diversifying our economy, and our resiliency as a community in the face of the effects of climate change.

SB-775-SD-2

Submitted on: 4/3/2022 2:14:27 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Wendy Bernier	Individual	Support	Written Testimony Only

Comments:

I support having everyone who enjoys these islands pay for maintaining them. This is an excellent way to make sure tourist are doing their part.

SB-775-SD-2

Submitted on: 4/3/2022 5:11:57 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
joseph simpliciano	Individual	Support	Written Testimony Only

Comments:

Tourism and the use on our trails, beaches and parks is extremely damaging to a sensitive environment and people. Hawaii is very significant and sensitive. There is already not enough conservation officers to address many of the issues we see each and everyday. To include seal and turtle harassment, transference of parasites or hitchhiking invasive plants from one area to another, etc. from my personal experience there is only one DOCARE officer to work from Hickam to kaena point and you are asking him to cover from the mountain to the ocean. I would be happen you show anyone the damage and the lack of resources it has on a community, the ocean and the mountains right here in Waianae. Tourism is a toilet that is already clogged and cannot flush, if you keep adding more tourist without a plumber that toilet will over flow.

SB-775-SD-2

Submitted on: 4/3/2022 5:57:45 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Samuel Wolff	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

I am testifying in strong support of SB 775 HD1 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources.

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SB-775-SD-2

Submitted on: 4/3/2022 6:35:56 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Presley Wann	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Onishi and Chair Luke,

As a active community member and a lineal descendant of Ha'ena, Kaua'i, i am asking for your commiteee's support of SB 775 proposed HD 1. As the Endangered Species Capital of the World, we need to make more of a effort to care for our Hawai'i home. We need to take care the very things that makes Hawai'i so special. There are many worldwide examples of "green fees" or similiar fees used to reinvest in the enviroment of their places impacted by tourism. These fees would be a big step towards supporting Malama Aina for Hawai'i. I support all the amendments associated with this legislation. Thank for this opportunity to testify...

Mahalo Nui Loa, Presley Wann

Testimony in Support of SB 775, Relating to the Transient Accommodations Tax
Committee on Labor & Tourism
Committee on Finance

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

My name is Lauren Chamberlain, I work for a local non-profit dedicated to marine conservation and I am testifying in strong support of SB 775 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources.

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I've been a resident of Oahu for over half a decade, a short time compared to many locals including indigenous communities that call Oahu home. In the time I've lived here, I've personally witnessed the negative impact that over-tourism can have to the natural environment, including (but not limited to) erosion of trails, degradation of precious reefs, increase in land-based plastic pollution, and increase in the harassment of wildlife. I believe this bill is **crucial** for the future of conserving Hawaii's resources and would be revolutionary for our tourism industry. On a personal level, the non-profit I am affiliated with works with visitors on a daily basis to educate them on proper coexistence around Hawaii's marine protected species, including the endangered Hawaiian monk seal, sea turtles, seabirds and cetaceans. On top of this, our organization conducts daily responses and rescues to these species. All this work is critical to the conservation of marine protected species. The proposed SB 775 could directly benefit our ability to do this work and increase our current response capacity. I ask that you please support SB 775.

Mahalo for the opportunity to testify,

Lauren Chamberlain
Lauren.chamberlain@h-mar.org
PO Box 73, Kailua HI 96734

SB 775 SD 2 PROPOSED HD TESTIMONY

To: House Committee on Labor & Tourism
House Committee on Finance
Hearing on April 5, 2022 at 11:00 a.m.

From: John Kawamoto

Position: Oppose

Tourism has had devastating effects on the environment because it has resulted in the overuse and degradation of Hawaii's natural resources. This bill allocates \$30 million to a new natural resources special fund. That positive aspect of the bill, however, is far overshadowed by its negative effect of allocating \$60 million to the Hawaii Tourism Authority (HTA).

The HTA allocation is unnecessary because HTA has outlived its purpose. Chapter 201B, Hawaii Revised Statutes, establishes HTA and sets forth its purpose -- to promote tourism. The promotion of tourism may have been desirable when HTA was created in 1998 because in that year Asia faced an economic crisis, and Hawaii tourism dropped by 10%. A total of 2.5 million tourists visited Hawaii in that year. Since then, tourism has doubled, then redoubled.

More than 10 million tourists visited Hawaii in 2019, a record high. On an average day in 2019 there were nearly a quarter of a million tourists in Hawaii. Tourism declined by nearly three-fourths in 2020 due to Covid. The economy contracted, but many residents were happy that weren't being crowded out of beaches, parks, and other public spaces. They could enjoy Hawaii once again.

In 2021 the University of Hawaii Public Policy Center commissioned a survey which showed that a majority of Hawaii residents -- 52% -- preferred to limit the number of tourists.

HTA's budget was cut significantly in 2021. The cut seems to have little or no effect because tourism is rebounding quickly as the economy re-opens. In February of 2022, a total of 630,647 tourists visited Hawaii, which was only 19% less than the 782,584 tourists who visited Hawaii in February of 2019, the record-breaking year. Tourism is expected to climb higher still, especially since tourists from Japan are nearly nonexistent now, and that is likely to jump up soon.

It should be noted that HTA's strategic plan does not limit tourism to any numerical figure. In fact, the HTA strategic plan cites a forecast by the State Department of Business, Economic Development, and Tourism (DBEDT) that the number of visitors in the state on an average day will increase in 2025 to about 253,500. That is beyond the record 2019 level, and DBEDT says that tourism will continue growing. HTA expresses no misgivings or

concerns in its strategic plan that tourism is expected to break record high numbers year after year.

The tourist industry also seems to think that tourism will continue to expand. Many hotels are spending money to remodel, and new hotels have been added. AC Hotel by Marriott Wailea and Maui Bay Villas opened in 2021. Hilton Hawaiian Village plans to expand by building another tower with 515 hotel rooms. Kapolei Hotel Partners is seeking a permit to build a 204-unit hotel in Kapolei, which would be the fourth in the area.

The expansion of tourism might not be so bad if tourism were not a low-wage industry. However, the tourist industry is dependent upon workers such as housekeeping cleaners, janitors, security guards, cooks and food preparation workers, fast food workers, and retail salespersons. The median hourly wage for each of these occupations is less than the median hourly wage for all occupations in Hawaii.

A couple working in these occupations do not earn a living wage for a family of four. Tourism is so dominant in the economy that its low wages affect all other sectors of the economy. More than 40% of Hawaii's families do not earn enough to cover all of the necessities of daily living, according to a study by Aloha United Way.

Diversifying Hawaii's economy to create higher paying jobs has been the subject of many discussions. Unfortunately, it's mostly talk, and little has been actually done to diversify the economy. Hawaii's tourism industry is so dominant that it stifles efforts at economic diversification.

Tourism should be limited, and now is a good time to do that because so many people are employed. Hawaii's unemployment rate was 3.8% in February of 2022, according to Hawaii's Department of Labor and Industrial Relations. The low unemployment rate shows that the shock of Covid on the economy is subsiding, and most of the people who were laid off are now employed again.

There's no need to expand tourism to create more jobs, especially since most of them would be low-wage jobs. Furthermore, a majority of Hawaii residents want to limit tourism. Yet HTA is promoting tourism, and the \$60 million that the bill allocates to HTA would expand tourism beyond desirable limits.

For the foregoing reasons, this joint committee should hold the bill. The \$60 million that the bill allocates to HTA and the \$30 million that it allocates to a new natural resources special fund should instead all be allocated to existing programs that preserve and maintain the environment.

Testimony in Support of SB 775, Relating to the Transient Accommodations Tax
Committee on Labor & Tourism
Committee on Finance

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

I am testifying in strong support of SB 775 HD1 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources.

Our beaches, parks, reefs, forests, hiking trails, and other natural resources are paramount to sustaining our way of life and, therefore, our economic engine. These resources are THE CORE of the visitor sector - the jobs that depend on it are NOT possible without Hawai'i's iconic natural resources. The funding for our irreplaceable environment will **create hundreds, of jobs in our environmental sector, helping both our communities and tourism industry**. Further, our residents overwhelmingly support a green fee, with recent polling results highlighting that **88% of voters agree visitors should pay their fair share to maintain our cultural and natural resources**. It is overwhelmingly clear that our local residents want visitors to participate in offsetting the pressure of the industry on our home.

SB775 creates a pathway for Hawai'i to be sustained as a visitor destination into the future, while empowering our community organizations to scale their work throughout our State. This innovative funding stream would support critical conservation efforts needed to maintain Hawai'i as a healthy, sustainable region into the future. A transformational investment in Hawai'i's natural resources provides a pathway to build environmental and economic resilience for our local communities and our visitor industry. By investing in our environment today, we can ensure that residents and visitors are able to enjoy our incomparable natural environment and island lifestyle for decades to come.

This is exactly what "Ua Mau Ke Ea O Ka 'Āina I Ka Pono" means,

Kekuhi Kealiikanakaole, Chief Creative & Ritual Design
Lonoa Honua LLC

SB-775-SD-2

Submitted on: 4/3/2022 10:41:33 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Roberts "Bob" Leinau	Individual	Support	Written Testimony Only

Comments:

SB775 offers a mechanism to supply seriously needed reeneue to support our precious and under-funded natural resources. Please support this important bill!

Mahalo

SB-775-SD-2

Submitted on: 4/4/2022 12:22:54 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kirsten Gallaher	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

My name is Kirsten Gallaher, and I am testifying in strong support of SB 775 HD1 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources.

As an avid hiker, and working in nature conservation on O'ahu during many of the past 7 years, it has been heartbreaking to see a visible decline in many of our natural areas directly impacted by tourism. Even without deeper ecological knowledge, many friends have remarked with concern on the rate of change in recent years. I did not expect to see these kinds of changes during my lifetime, let alone within the last decade.

We cannot continue using our environment, in increasing numbers, while expecting it to continue rebounding; we must reinvest in its resilience. I have seen firsthand the dedication of the staff of conservation agencies, working diligently with limited resources available and caring deeply about the outcomes. Where given a chance and appropriate resources, our environment can rebound: forests returning from nothing and barren hillsides capturing water in streams once more.

It is overwhelmingly clear that our local residents want visitors to participate in offsetting the pressure of the tourism industry on our home. 88% of voters agree; the sentiment has become louder and calls for change more urgent! The deep connection of Hawaii's people with our 'āina is unique and must be protected. We look to you, our lawmakers, to lead us in implementing changes we can be proud of.

I strongly support a model that directly channels funds via visitors. SB775 creates a pathway for Hawai'i to be sustained as a visitor destination into the future, while empowering our community organizations to scale their work throughout our State. Creating jobs in our environmental sector, and helping Hawaii's communities, economy, and environment to thrive, is a win for all.

Mahalo for the opportunity to testify.

Kirsten Gallaher

SB-775-SD-2

Submitted on: 4/4/2022 3:41:22 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Bret Mossman	Individual	Support	Written Testimony Only

Comments:

Aloha Chairperson and members of the committee,

I would like to express strong support for SB775

One of the largest barriers to protecting our native species and environments is a lack of awareness and funding for conservation and management.

Hawai‘i is known as the endangered and extinction capitol of the world with over 1,000 species having disappeared from the islands in the last 250 years alone.

Hawai‘i also has more than 400 plants that have fewer than 50 individuals remaining, critically imperiled snails and invertebrates, and ongoing heavy impacts from invasive species.

SB775 takes a tried and proven method of supporting natural resources around the world and here in Hawai‘i. A great example is the recent visitor fee increases at places like Diamond head expected to raise over 12 million by the end of this fiscal year. These rate increases did not turn away visitors and have generated funding to significantly improve the health and wellbeing of these important natural places. SB775 is inclusive, takes advantage of existing frameworks to establish accountability, and fills a critical need to restore our native ecosystems.

My only onjection is that the bill does not take effect until 2050 (Section 8). This funding is urgently needed and many of the goals set forward in SB775 will only be possible if the bill is enacted as soon as possible.

Please support and expedite this very important bill.

Mahalo nui,

SB-775-SD-2

Submitted on: 4/4/2022 7:05:57 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Maki Morinoue	Individual	Support	Written Testimony Only

Comments:

Aloha

My name is Maki Morinoue. I support this bill all though it is not the most ideal, it is closer to the goals we seek for Hawai'i.

Please pass this bill. For the sake of our future generation.

Mahalo

Maki Morinoue

96725

SB-775-SD-2

Submitted on: 4/4/2022 7:49:03 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Elizabeth Benyshek	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

I am writing to express my strong support of SB 775 HD1, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources. This is vital for the protection and enjoyment of our coast for many years to come.

Thank you for your time and consideration.

Elizabeth Benyshek

Chair, Surfrider Foundation Oahu Chapter

SB-775-SD-2

Submitted on: 4/4/2022 8:27:23 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Chyloe Leon Guerrero	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of SB 775, Relating to the Transient Accommodations Tax

Committee on Labor & Tourism

Committee on Finance

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

My name is Chyloe Leon Guerrero, Native Hawaiian born and raised in Hawai‘i with a Masters in Business Administration; and I am testifying in strong support of SB 775 HD1 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai‘i’s natural resources.

Our beaches, parks, reefs, forests, hiking trails, and other natural resources are paramount to sustaining our way of life and, similarly, our economic engine. These resources are deeply intertwined with our visitor sector - the jobs that depend on it are not possible without Hawai‘i’s iconic natural resources. The funding for our irreplaceable environment will create hundreds, of jobs in our environmental sector, helping both our communities and tourism industry. Further, our residents overwhelmingly support a green fee, with recent polling results highlighting that 88% of voters agree visitors should pay their fair share to maintain our cultural and natural resources. It is overwhelmingly clear that our local residents want visitors to participate in offsetting the pressure of the industry on our home.

SB775 creates a pathway for Hawai'i to be sustained as a visitor destination into the future, while empowering our community organizations to scale their work throughout our State. This innovative funding stream would support critical conservation efforts needed to maintain Hawai'i as a healthy, sustainable region into the future. A transformational investment in Hawai'i's natural resources provides a pathway to build environmental and economic resilience for our local communities and our visitor industry. By investing in our environment today, we can ensure that residents and visitors are able to enjoy our incomparable natural environment and island lifestyle for decades to come.

Countries all over the world have already implemented similar practices which prioritize protecting natural resources from overtourism, and it's well past due that Hawai'i followed suit.

Mahalo for the opportunity to testify,

Chyloe Marie Kawehiokalani Leon Guerrero

SB-775-SD-2

Submitted on: 4/4/2022 8:28:53 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Melissa Kunz	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

My name is Melissa Kunz and I am testifying in strong support of SB 775 HD1 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources.

Our beaches, parks, reefs, forests, hiking trails, and other natural resources are paramount to sustaining our way of life and, similarly, our economic engine. These resources are deeply intertwined with our visitor sector - the jobs that depend on it are not possible without Hawai'i's iconic natural resources. The funding for our irreplaceable environment will create hundreds, of jobs in our environmental sector, helping both our communities and tourism industry. Further, our residents overwhelmingly support a green fee, with recent polling results highlighting that 88% of voters agree visitors should pay their fair share to maintain our cultural and natural resources. It is overwhelmingly clear that our local residents want visitors to participate in offsetting the pressure of the industry on our home.

SB775 creates a pathway for Hawai'i to be sustained as a visitor destination into the future, while empowering our community organizations to scale their work throughout our State. This innovative funding stream would support critical conservation efforts needed to maintain Hawai'i as a healthy, sustainable region into the future. A transformational investment in Hawai'i's natural resources provides a pathway to build environmental and economic resilience for our local communities and our visitor industry. By investing in our environment today, we can ensure that residents and visitors are able to enjoy our incomparable natural environment and island lifestyle for decades to come.

Mahalo for the opportunity to testify,

Melissa Kunz

SB-775-SD-2

Submitted on: 4/4/2022 8:40:00 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kate Dolbier	Individual	Support	Written Testimony Only

Comments:

I support SB775. Many people benefit from visiting Hawaii, yet most people who visit don't actually financially support efforts to keep Hawaii beautiful.

SB-775-SD-2

Submitted on: 4/4/2022 8:41:15 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kristen Kelly	Individual	Support	Written Testimony Only

Comments:

I support this bill

SB-775-SD-2

Submitted on: 4/4/2022 9:29:00 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Joachim Schneider	Individual	Support	Written Testimony Only

Comments:

Please pass this bill as it will benefit our economic and environmental health. Thank you very much.

SB-775-SD-2

Submitted on: 4/4/2022 10:27:31 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lydi Morgan Bernal	Individual	Support	Written Testimony Only

Comments:

I strongly support this bill. Thank you very much for prioritizing the care of Hawaii's unique and irreplaceable natural environments! Our actions today will affect the quality of life for Hawaii's people and the sustainability of Hawaii's visitor industry for generations to come!

SB-775-SD-2

Submitted on: 4/4/2022 10:30:25 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Basia Leahy	Individual	Support	Written Testimony Only

Comments:

I think the implementation of a green fee can do wonders for Hawai'i. It will help protect the natural environment for generations to come and hopefully instill deeper thought in tourists about their actions and their subsequent consequences for the environment. Places like New Zealand have already implemented their own versions of "green fees" (at \$35) and they've been successful so I know you aren't taking recommendations but I honestly think the fee should be higher than proposed. Nonetheless, very important and this bill has my full support!

SB-775-SD-2

Submitted on: 4/4/2022 10:58:28 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ellie S. Jones	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of SB 775, Relating to the Transient

Accomodations Tax Committee on Labor & Tourism

Committee on Finance

To Chair Onishi, Vice Chair Sayama, and Members of the Committee:

My name is Ellie Jones and I am testifying in support of SB 775 HD1 proposed as a marine scientist, climate advocate, and resident of O‘ahu. SB 775 HD1 proposed, Relating to Transient Accommodations Tax, would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai‘i’s natural resources.

Directing funding towards support of Hawai‘i’s environment will also support Hawai‘i’s economy, people, and culture. Hawai‘i’s natural ecosystems are unique in all the world, providing ample resources for recreation, food, tourism, and spiritual connection. They are irreplaceable and require thoughtful management to sustain. A green fee would ensure that financial resources are available to support these natural resources, and ensure that tourists to Hawai‘i pay their share in providing for the resources they benefit from visiting. In fact, recent polling shows that 88% of Hawai‘i voters agree that visitors should contribute to funding to maintain our cultural and natural resources. I see this as almost a reciprocal action of responsibility to place; as visitors gain from the resources, they should also give back.

SB 775 creates a pathway for Hawai‘i to be sustained as a visitor destination into the future, for without the financial resources to take care of our natural spaces, there will be no natural spaces left for people to visit. This fund will also empower community organizations to support natural resource management. This innovative funding stream would support critical conservation efforts and build environmental and economic resilience.

Thank you for your time and consideration of this important bill.

Sincerely,

Ellie S Jones

SB-775-SD-2

Submitted on: 4/4/2022 11:53:28 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Cara Oba	Individual	Support	Written Testimony Only

Comments:

I support the levy of a green fee as we should all share in the responsibility for the care of our environment. I do have a question regarding the bill language.

- If the tax is only levied on "hotel booking," does this exclude private rental accommodations such as Airbnb and Vrbo bookings? If so, might this favor private rental entities and possibly push the market towards those kinds of accommodations?

I mainly ask this in order to ask that however the tax is levied, that it is fairly applied. Private rental accommodation is already not well-monitored and those tourists are no less of a burden on infrastructure and resources.

Mahalo for the opportunity to share my comments.

SB-775-SD-2

Submitted on: 4/4/2022 10:42:50 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Greta R	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of SB 775, Relating to the Transient Accommodations Tax

Committee on Labor & Tourism

Committee on Finance

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

My name is Greta Reimer; and I am testifying in strong support of SB 775 HD1 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources.

Our beaches, parks, reefs, forests, hiking trails, and other natural resources are paramount to sustaining our way of life and, similarly, our economic engine. These resources are deeply intertwined with our visitor sector - the jobs that depend on it are not possible without Hawai'i's iconic natural resources. The funding for our irreplaceable environment will create hundreds, of jobs in our environmental sector, helping both our communities and tourism industry. Further, our residents overwhelmingly support a green fee, with recent polling results highlighting that 88% of voters agree visitors should pay their fair share to maintain our cultural and natural resources. It is overwhelmingly clear that our local residents want visitors to participate in offsetting the pressure of the industry on our home.

SB775 creates a pathway for Hawai'i to be sustained as a visitor destination into the future, while empowering our community organizations to scale their work throughout our State. This innovative funding stream would support critical conservation efforts needed to maintain Hawai'i as a healthy, sustainable region into the future. A transformational investment in

Hawai'i's natural resources provides a pathway to build environmental and economic resilience for our local communities and our visitor industry. By investing in our environment today, we can ensure that residents and visitors are able to enjoy our incomparable natural environment and island lifestyle for decades to come.

Mahalo for the opportunity to testify,

Greta Reimer

SB-775-SD-2

Submitted on: 4/4/2022 12:55:15 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Stuart Coleman	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee Members,

My name is Stuart Coleman, and I'm writing in strong support of SB775 SD2 HD1, which provided \$30 million / year for natural resource protection. I join thousands of others who have been advocating for desperately needed funding to protect Hawaii's most valuable assets: our natural resources. Mahalo for your consideration of this important bill.

Aloha, Stuart Coleman, 2927 Hibiscus Pl., Hon., HI 96815

SB-775-SD-2

Submitted on: 4/4/2022 2:04:17 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Erica Yamauchi	Individual	Support	Written Testimony Only

Comments:

I am strong support of this bill to keep Hawaii a beautiful place to live and visit.

Erica Yamauchi, Kaimukī/Wilhelmina Rise



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

DAVID Y. IGE
GOVERNOR

MIKE MCCARTNEY
DIRECTOR

CHUNG I. CHANG
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: dbedt.hawaii.gov

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
MIKE MCCARTNEY
Director
Department of Business, Economic Development, and Tourism
before the
**HOUSE COMMITTEE ON LABOR & TOURISM
AND
HOUSE COMMITTEE ON FINANCE**

Tuesday, April 5, 2022
11:00 AM
State Capitol, Conference Room #329

In consideration of
**SB775, SD2, PROPOSED HD1
RELATING TO THE TRANSIENT ACCOMMODATIONS TAX.**

Chairs Onishi and Luke, Vice Chairs Sayama and Yamashita and members of the Committees.

The Department of Business, Economic Development and Tourism (DBEDT) supports the intent and offers comments and concerns on SB775, SD2, Proposed HD1, which establishes the natural resource management special fund and authorizes uses for moneys in the fund; allocates transient accommodations tax (TAT) revenues to the Hawaii Tourism Authority (HTA); and appropriates funds from the natural resource management special fund and operating expenses of the HTA.

In general, DBEDT supports TAT revenue being allocated to the Department of Land and Natural Resources (DLNR) to protect, preserve, and care for Hawaii's natural resources. We, however, oppose a so-called green fee that would be charged to every arriving visitor to the Hawaiian Islands. We believe a more efficient and effective policy approach should be the reallocation of TAT revenues to protect, preserve, and care for our natural resources. We support this visionary policy approach (as proposed) to strategically redirect TAT revenues, but do not support the imposition of another fee or surcharge to be assessed on visitors.

We also urge the Legislature to consider restoring a modified level of dedicated funding for HTA and the Hawaii Convention Center (HCC). Furthermore, DBEDT supports the House's proposal to have the Legislative Reference Bureau (LRB) recommend a new governance structure(s) for HTA and HCC in the 2024 session.

Once this report is completed long-term funding for HTA and HCC could be determined at that time.

We defer to the Department of Budget and Finance on technical and legal matters in implementing the intent of this measure.

As this session unfolds, please know that DBEDT stands ready to work with the House, Senate, Governor, industry stakeholders, and our communities to refine, improve and co-create new policy such as this that is advantageous for our state.

Thank you for proposing this measure and allowing us to testify in support with comments.



April 5, 2022

Re: Testimony in **Support of SB775**

Aloha Chair Onishi, Chair Luke and members of the Committees on Labor & Tourism and Finance,

Mahalo for the opportunity to submit testimony on behalf of Ka Leo O Nā 'Ōpio, a collaboration of individuals and organizations dedicated to Native Hawaiian youth civic engagement.

Our 'ōpio advocacy team is **testifying in support** of this bill. One of the biggest barriers to protecting our native species and environments is a lack of awareness and funding for conservation and management.

As an example, threatened and endangered birds in the continental US receive an average of 20x more state and federal resources than listed species of birds here in Hawai'i. One species from the 1990s to the early 2000s, the red-cockaded woodpecker, received more funding than all of the over 30 species of listed birds in Hawai'i combined.

Hawai'i also has more than 400 plants that have fewer than 50 individuals remaining, critically imperiled snails and invertebrates, and ongoing heavy impacts from invasive species.

SB775 takes a tried and proven method of supporting natural resources around the world and here in Hawai'i. A great example is the recent visitor fee increases at places like Diamond head expected to raise over 12 million by the end of this fiscal year. These rate increases did not turn away visitors and have generated funding to significantly improve the health and wellbeing of these important natural places. SB775 is inclusive, takes advantage of existing frameworks to establish accountability, and fills a critical need to restore our native ecosystems.

Please support and expedite this very important bill.

Mahalo again for the opportunity to provide this testimony.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEES ON
LABOR & TOURISM and FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
WEDNESDAY, APRIL 6, 2022 AT 11:00 A.M.**

To The Honorable Richard H.K. Onishi, Chair
The Honorable Jackson D. Sayama, Vice Chair
Members of the Committee on Labor & Tourism
To The Honorable Sylvia Luke, Chair
The Honorable Kyle T. Yamashita, Vice Chair
Members of the committee on Finance

SUPPORT SB775 SD2 (Proposed HD1) RELATING TO TRANSIENT ACCOMMODATIONS TAX

The Maui Chamber of Commerce **Supports the proposed HD1 of SB775 SD2**, which allocates Transient Accommodations Tax revenues to a Natural Resource Management Special Fund and to the operating expenses of the Hawai'i Tourism Authority (HTA).

The Chamber strongly supports the allocation of TAT revenues to the Natural Resource Management Special Fund. Hawai'i's natural environment is a treasure that we must protect and preserve for the generations to come. The proposed annual allocation in this measure is a direct way for visitors to contribute to our shared responsibility to care for our natural resources.

The visitor industry is an important sector of Hawai'i's economy, providing a significant share of state tax revenues as well as employment opportunities for local families. We understand there are challenges associated with the industry, challenges which have inspired HTA's pivot from destination marketing to destination management and visitor education through responsible branding. This pivot plan points the visitor industry in the direction of regenerative tourism, a direction validated and supported by the community-generated Destination Management Action Plans.

For these reasons, we **support SB3179 SD2 (proposed) HD1**.

Sincerely,

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.



Maui Hotel & Lodging
ASSOCIATION

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

Committee on Labor & Tourism

Senate Bill 775 SD2 HD1: Relating to the Transient Accommodations Tax

April 5, 2022, 11:00 am

Conference Room 329

The Maui Hotel & Lodging Association (MHLA) is the legislative arm of the visitor industry for Maui County. We represent over 170 property and allied business members and over 19,000 rooms. **We are in support of the proposed HD1 of Senate Bill 775 SD2**, which allocates Transient Accommodations Tax revenues to a Natural Resource Management Special Fund and to the operating expenses of the Hawai'i Tourism Authority.

MHLA participated in and remains on the steering committee for the community-driven Destination Management Action Plans (DMAPs) through Hawaii Tourism Authority. These plans clearly articulated the community's desire for more effective management of our beloved state. We strongly support the allocation of TAT revenues to the Natural Resource Management Special Fund. Hawai'i's natural environment is a treasure that we must protect and preserve for generations to come. The proposed annual allocation in this measure is a direct way for visitors to contribute to the shared responsibility of our home. Additionally, a yearly allocation to the Hawai'i Tourism Authority from TAT revenues is a funding mechanism that allows visitors to directly fund the agency's destination management and visitor education efforts. For these reasons, we support **the proposed HD1 of SB775 SD2**.

Thank you for the opportunity to provide this testimony.



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 Labor & Tourism
Senate Bill 775, SD2, HD1
April 5, 2022

Chair Onishi, and members of the Committee, mahalo for the opportunity to provide testimony on behalf of the Hawai'i Lodging & Tourism Association, the state's oldest and 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—has always held the position that the Hawai'i Tourism Authority's dedicated funding should come from Transient Accommodations Tax monies to support the agency as it pursues its stated mission which includes bringing quality visitors to our state which would improve resident sentiment towards tourists and the local tourism industry as a whole. We desire visitors who will embrace our culture, respect our environment, and contribute positively to our community.

Moreover, as it is currently written, this measure would not only allocate monies for HTA's operating budget but would also annually dedicate \$30M from TAT revenues to a natural resource management special fund. It has long been our position that TAT monies should be allocated for uses that have a strong nexus to tourism which, in addition to funding HTA, should include resource management. This is in line with the establishing principles of the TAT and will ensure that these monies will protect and sustain the very resources which travelers to Hawai'i enjoy.

For these reasons, HLTA supports Senate Bill 775, SD2, HD1.

Mahalo for the opportunity to offer these comments.

SB-775-SD-2

Submitted on: 4/4/2022 4:08:55 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lori	Protea Zero Waste Store	Support	Written Testimony Only

Comments:

Dear Committees,

The negative impacts of tourism are being felt widely from the people to the land and sea. Tourism at what it is currently, is not sustainable and change needs to happen. Green Fees are not new. They have been implemented in many countries around the world for years and have proven to be successful. It is time our State takes this seriously and implements the Green Fee so we can make sure we have the sufficient funds needed to take care of our island before its too late.

kindly,

Lori Mallini

Founder of Protea Zero Waste Store



HAWAII

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THE TRUST FOR PUBLIC LAND'S TESTIMONY SUPPORTING SB 775, SD 2, HD 1 RELATING TO THE TRANSIENT ACCOMMODATIONS TAX

House Committees on Labor & Tourism and Finance

Tuesday, April 5, 2022, 11:00 a.m.

Conf. Rm. 329 & Videoconference

Trust for Public Land strongly supports SB 775, SD 2, HD 1 (proposed). The bill proposes to allocate transient accommodation tax revenues to a natural resource management special fund, authorize uses for moneys in the fund, and creates a process for fair and community supported disbursement of those funds. Trust for Public Land suggests that where natural resources are mentioned, the language be amended to include "natural and cultural resources" to ensure that the uses of the fund can include restoration/protection of cultural resources impacted by visitors.

Although Hawai'i's natural environment and host culture attracts over 10 million visitors a year in non-pandemic times, the State's management and protection of cultural and natural resources is sorely underfunded -- receiving less than 1% of the state's annual budget. DLNR struggles to manage a tremendous kuleana -- its Natural Area Reserves, Forest Reserves, parks, trails, historic sites and monuments, and unencumbered state land. Hawai'i suffers from a significant conservation funding gap estimated at \$360 million annually. Meanwhile -- coral reefs are dying, trails are overcrowded, cultural sites are being damaged, parks are deteriorating, watersheds are threatened, and fish stocks are declining. Residents feel overwhelmed by the overuse of and damage to the special places they and their families once enjoyed, and to which many families have genealogical connections.

Reallocation of a portion of the transient accommodation tax to a natural and cultural resources management fund can create local green jobs and protect Hawai'i's irreplaceable natural and cultural resources, including the forested watersheds that generate the islands' only source of fresh drinking water and the reefs that protect more than \$830 million worth of coastal infrastructure each year, according to a USGS report.

A recent survey conducted by FM3 (95% confidence level), found that Hawai'i voters overwhelmingly agree that tourists should pay their fair share to maintain and manage natural and cultural resources. Fully 88% of voters -- nearly 9 out of 10 -- agree with this assertion and nearly two-thirds (63%) "strongly agree."

Mahalo for this opportunity to testify. I apologize that I will not be able to attend the hearing in person or virtually due to a scheduling conflict.

Me ke aloha,

Lea Hong, Associate Vice-President & State Director
Edmund C. Olson Trust Fellow



SB-775-SD-2

Submitted on: 4/4/2022 4:54:46 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Doerae Shin	HI Impact Consulting	Support	Written Testimony Only

Comments:

I strongly support this measure.

SB-775-SD-2

Submitted on: 4/4/2022 3:32:53 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Andrea Nandoskar	Individual	Support	Written Testimony Only

Comments:

Strongly support!

Mahalo for your support.

SB-775-SD-2

Submitted on: 4/4/2022 3:43:17 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
TOM DIGRAZIA	Individual	Support	Written Testimony Only

Comments:

Please support and pass SB775. The Bill will help limit the negative impacts of tourism, manage tourism better and place more of the burden of maintaining Hawaii's aina on tourists and not just Hawaaii citizens. The Bill is a good beginning to better protect Hawaii's environment.

Mahalo!

Tom

SB-775-SD-2

Submitted on: 4/5/2022 8:10:20 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Cortney	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of SB 775, Relating to the Transient Accommodations Tax

Committee on Labor & Tourism

Committee on Finance

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

I am Cortney Dalton, a resident of Washington state and an interested party; and I am testifying in strong support of SB 775 HD1 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources.

Our beaches, parks, reefs, forests, hiking trails, and other natural resources are paramount to sustaining our way of life and, similarly, our economic engine. These resources are deeply intertwined with our visitor sector - the jobs that depend on it are not possible without Hawai'i's iconic natural resources. The funding for our irreplaceable environment will create hundreds, of jobs in our environmental sector, helping both our communities and tourism industry. Further, our residents overwhelmingly support a green fee, with recent polling results highlighting that 88% of voters agree visitors should pay their fair share to maintain our cultural and natural resources. It is overwhelmingly clear that our local residents want visitors to participate in offsetting the pressure of the industry on our home.

SB775 creates a pathway for Hawai'i to be sustained as a visitor destination into the future, while empowering our community organizations to scale their work throughout our State. This innovative funding stream would support critical conservation efforts needed to maintain Hawai'i as a healthy, sustainable region into the future. A transformational investment in Hawai'i's natural resources provides a pathway to build environmental and economic resilience for our local communities and our visitor industry. By investing in our environment today, we can ensure that residents and visitors are able to enjoy our incomparable natural environment and island lifestyle for decades to come.

While I have not yet had the opportunity to travel to Hawaii, I hope the day will come when I can and in the meantime, this investment by travelers will help ensure that travel can continue

in the future for myself and others, while allowing those living on Hawaii to continue maintaining their home and the destination.q

Mahalo for the opportunity to testify,

Cortney Dalton

SB-775-SD-2

Submitted on: 4/5/2022 5:11:44 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Preethi B Harbuck	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of SB 775, Relating to the Transient Accommodations Tax

Committee on Labor & Tourism

Committee on Finance

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

My name is Preethi and I'm a travel writer. I am testifying in strong support of SB 775 HD1 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources.

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Mahalo for the opportunity to testify,

Preethi B. Harbuck

Instagram: @localpassportfamily

www.localpassportfamily.com

SB-775-SD-2

Submitted on: 4/4/2022 9:03:06 PM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Anela Lewis	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Onishi, Vice Chair Sayama, and Members of the Committee:

I am Anela Lewis; and I am testifying in strong support of SB 775 HD1 proposed, Relating to Transient Accommodations Tax, which would allocate moneys to natural resource management, establish a fund and commission to direct use of the fees collected transparently, and support our community through grant programs working to protect and restore Hawai'i's natural resources.

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Mahalo for the opportunity to testify,

Anela Lewis

SB-775-SD-2

Submitted on: 4/5/2022 8:44:24 AM

Testimony for LAT on 4/5/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Andy Cullison	Individual	Support	Written Testimony Only

Comments:

I am strongly in support of this bill. As someone who has worked in environmental protection of forested areas in Hawaii and in western states, I cannot state strongly enough how much more funding is needed for Hawaii to reach the levels of environmental management I have seen on the mainland. The needs of environmental protection in Hawaii are so high, in terms of invasive species control, trail & user management, and rare and endangered species protection as compared to other states, yet I see lower funding and personnel when compared to other states.

I believe we need to find any and all sources of funding that increases the capacity of groups like DLNR and HDOA to better execute protection and manage these areas. I believe a green fee of users makes sense, and has been demonstrated to work in other island environments like the Galapagos.

Mahalo nui,

Andy Cullison