

JAN 18 2024

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# A BILL FOR AN ACT

RELATING TO A VISITOR IMPACT SPECIAL FUND.

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

1           SECTION 1. The legislature finds that Hawaii's natural  
2 resources, including reefs, oceans, forests, streams, estuaries,  
3 shorelines, and beaches, provide irreplaceable and invaluable  
4 benefits to visitors, residents, and the global community.

5           The Hawaii State Constitution makes clear that the State's  
6 natural and cultural resources are subject to the public trust  
7 and therefore must be managed and protected for the benefit of  
8 present and future generations. The Hawaii State Constitution  
9 further requires the State and its agencies to protect and  
10 enforce Native Hawaiian rights, including traditional and  
11 customary practices associated with, and dependent upon,  
12 carefully managed and abundant natural resources.

13           The legislature further finds that Hawaii's natural  
14 environment faces significant environmental pressure from the  
15 heavy use it receives from persons traveling to enjoy the  
16 State's natural resources. The current underinvestment in the  
17 State's natural resources poses a significant liability to the



1 visitor industry; the stability of natural systems, including  
2 food systems and water quality; and the ecosystems, services,  
3 fisheries, economic resilience, and health and safety of the  
4 State.

5 Hawaii residents currently contribute to the protection and  
6 management of natural resources through taxes, environmental  
7 care, subsistence, cultural practices, and the exercise of the  
8 values and practices embodied in the Hawaii State Constitution.  
9 However, with escalating visitor impacts and an increasing  
10 global threat to the island ecosystems, there is an immediate  
11 need for additional resources to protect, restore, sustain,  
12 manage, and conserve natural resources.

13 The legislature also believes that it is imperative to  
14 raise additional revenues to offset visitor impacts and ensure  
15 that a positive environmental legacy is left for future  
16 generations. The legislature also finds that the private  
17 sector, including many conservation-focused nonprofits, are  
18 willing to make contributions to a visitor impact special fund.  
19 A visitor impact special fund provides a reasonable and  
20 appropriate way to generate these needed revenues.



1           The legislature believes that establishing a visitor impact  
2 special fund in Hawaii would be a significant and effective way  
3 to raise additional revenue to offset visitor impacts and ensure  
4 a healthy environment for future generations.

5           Accordingly, the purpose of this Act is to:

- 6           (1) Establish a visitor impact special fund; and
- 7           (2) Appropriate funds to establish positions.

8           SECTION 2. Chapter 171, Hawaii Revised Statutes, is  
9 amended by adding a new part to be appropriately designated and  
10 to read as follows:

11                           **"PART           .   VISITOR IMPACT MITIGATION**

12           **§171-    Visitor impact special fund; established.   (a)**

13 There is established within the state treasury the visitor  
14 impact special fund, into which shall be deposited:

- 15           (1) Appropriations made to the fund by the legislature;
- 16                           and
- 17           (2) Grants and gifts made to the fund.

18           (b) The fund shall be administered and governed by the  
19 department:

- 20           (1) With transparency and accountability; and



1           (2) In a manner that maximizes the effectiveness of the  
2           purpose of the fund.

3           (c) The department shall allocate moneys in the fund to be  
4 expended directly by state agencies for projects that help  
5 offset adverse environmental impacts caused by visitors and  
6 ensure that the State's natural resources are maintained for  
7 continued use by visitors. Examples of permissible projects  
8 under this subsection include projects that directly restore,  
9 enhance, and protect, in perpetuity, natural resources and the  
10 State's unique and fragile ecological status, including projects  
11 that:

12           (1) Protect, restore, or enhance terrestrial and marine  
13           natural resources impacted by heavy usage of visitors;

14           (2) Increase the resilience and adaptation of Hawaii's  
15           natural resources with environmentally beneficial  
16           strategies to reduce the adverse impacts of climate  
17           change, including coastal erosion, sea level rise,  
18           damage to reefs, ocean acidification, coral bleaching,  
19           damage to land resources, and other impacts  
20           exacerbated by visitors; or



1           (3) Remove and control invasive species and propagate and  
2           plant native species in state-owned recreational areas  
3           utilized by visitors.

4           (d) The department may allocate moneys to provide grants  
5 to the counties and nonprofit organizations. In awarding  
6 grants, the department shall prioritize projects that satisfy at  
7 least one of the following:

8           (1) Develop nature-based solutions to environmental and  
9           climate issues exacerbated by visitors;

10          (2) Provide significant protection restoration and  
11          enhancement of Hawaii's natural resources in areas  
12          impacted by visitors; or

13          (3) Increase the resilience of state-owned natural  
14          resources impacted by visitors.

15          (e) The department may allocate moneys to provide cost-  
16 matching funds for federal grants that satisfy any of the  
17 priorities identified in subsection (d).

18          **§171- Grants; qualifications and conditions.** (a) For  
19 purposes of grants awarded pursuant to this part, any  
20 organization requesting a grant shall:



1 (1) Be licensed and accredited, as applicable, under the  
2 laws of the State;

3 (2) Have at least one year's experience with the project  
4 or in the program area for which grant moneys are  
5 requested; and

6 (3) Be qualified to engage in the program or activity to  
7 be funded by the grant or employ or have under  
8 contract persons who are qualified.

9 (b) Recipients of grants shall be subject to the following  
10 conditions:

11 (1) Any county or nonprofit organization requesting a  
12 grant shall submit its request together with all  
13 information required by the department on an  
14 application form prescribed by the department;

15 (2) The recipient of a grant shall not use public funds  
16 for purposes of entertainment or perquisites;

17 (3) The recipient of a grant shall comply with applicable  
18 federal, state, and county laws;

19 (4) The recipient of a grant shall comply with any other  
20 requirements the department may prescribe;



1           (5) The recipient of a grant shall allow the department,  
2           legislative bodies, and auditor full access to  
3           records, reports, files, and other related documents  
4           so that the program, management, and fiscal practices  
5           of the grant recipient may be monitored and evaluated  
6           to assure the proper and effective expenditure of  
7           public funds;

8           (6) Each grant shall be monitored pursuant to rules or  
9           policies established by the department to ensure  
10          compliance with this part; and

11          (7) Any recipient of a grant under this section who  
12          withholds or omits an material fact, deliberately  
13          misrepresents facts to the department, or violates the  
14          terms of the recipient's contract is in violation of  
15          this section and, in addition to any other penalties  
16          provided by law, shall be prohibited from applying for  
17          a grant under this part for a period of five years  
18          from the date of termination."

19          SECTION 3. In accordance with section 9 of article VII of  
20          the Hawaii State Constitution and sections 37-91 and 37-93,  
21          Hawaii Revised Statutes, the legislature has determined that the



1 appropriations contained in Act 164, Regular Session of 2023,  
2 and this Act will cause the state general fund expenditure  
3 ceiling for fiscal year 2024-2025 to be exceeded by  
4 \$            or            per cent. This current declaration takes  
5 into account general fund appropriations authorized for fiscal  
6 year 2024-2025 in Act 164, Regular Session of 2023, and this Act  
7 only. The reasons for exceeding the general fund expenditure  
8 ceiling are that:

- 9        (1) The appropriation made in this Act is necessary to  
10            serve the public interest; and
- 11        (2) The appropriation made in this Act meets the needs  
12            addressed by this Act.

13        SECTION 4. There is appropriated out of the general  
14 revenues of the State of Hawaii the sum of \$            or so  
15 much thereof as may be necessary for fiscal year 2024-2025 for  
16 deposit into the visitor impact special fund.

17        The sum appropriated shall be expended by the department of  
18 land and natural resources for the purposes of this Act.

19        SECTION 5. There is appropriated out of the general  
20 revenues of the State of Hawaii the sum of \$            or so  
21 much thereof as may be necessary for fiscal year 2024-2025 for





1 the establishment of the following positions to develop the  
2 visitor impact special fund.

3 (1) full-time equivalent ( FTE) program  
4 specialists;

5 (2) full-time equivalent ( FTE) office  
6 assistants; and

7 (3) full-time equivalent ( FTE) clerks V.

8 The sum appropriated shall be expended by the department of  
9 land and natural resources for the purposes of this Act.

10 SECTION 6. This Act shall take effect on July 1, 2024.

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INTRODUCED BY: Francis R. Sroufe



# S.B. NO. 2166

**Report Title:**

DLNR; Visitor Impact Special Fund; Establishment; Positions;  
Expenditure Ceiling; Appropriation

**Description:**

Establishes the Visitor Impact Special Fund to be administered by the Department of Land and Natural Resources. Declares that the general fund expenditure ceiling is exceeded. Appropriates funds for the Visitor Impact Special Fund and establishment of positions to develop the Visitor Impact Special Fund.

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