

STAND. COM. REP. NO.

1834

Honolulu, Hawaii

APR 04 2025

RE: H.B. No. 504  
H.D. 2  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 504, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENVIRONMENTAL STEWARDSHIP,"

begs leave to report as follows:

The purpose and intent of this measure is to facilitate and generate critical revenues for environmental stewardship in the State.

Your Committee received written comments in support of this measure from the Office of the Governor; Department of Agriculture; Department of Business, Economic Development, and Tourism; Department of Hawaiian Home Lands; Hawaii Housing Finance and Development Corporation; Hawaii Emergency Management Agency; Care for Aina Now Coalition Leadership Committee; Coalition Earth; Council for Native Hawaiian Advancement; Hawaii Alliance of Nonprofit Organizations; Hawaii Climate Advisory Team; Hawaii Green Growth; Hawaii Land Trust; Hawaii Ocean Legislative Task Force; Hawaii Reef and Ocean Coalition and Climate Protectors Hawaii; Hawaii Wildfire Management Organization; Hawaii Workforce Funders Collaborative; Kuaaina Ulu Auamo; Kupu; Malama Pupukea-Waimea; Nature Conservancy; Resources Legacy Fund; Sustainable Coastlines Hawaii; and numerous individuals.



Your Committee received written comments in opposition to this measure from ARDA Hawaii, Grassroot Institute of Hawaii, Kohala Coast Resort Association, Maui Chamber of Commerce, Maui Hotel and Lodging Association, Norwegian Cruise Line Holdings Ltd., and two individuals.

Your Committee received written comments on this measure from the Department of Land and Natural Resources, Department of Taxation, Hawaii Tourism Authority, Cruise Lines International Association, Hawaii Farm Bureau, Hawaii Lodging and Tourism Association, and Tax Foundation of Hawaii.

Your Committee finds that Hawaii's natural resources provide irreplaceable and invaluable benefits to residents, visitors, and the global community. Your Committee further finds that the State's natural resources are held in public trust and must be managed and protected for the benefit of present and future generations. Your Committee recognizes that Hawaii's natural resources face significant and growing environmental pressures from climate change and the impacts of heavy visitor use. Your Committee believes this measure will help strengthen environmental stewardship of the State's natural resources and generate critical revenues for these purposes.

Your Committee notes that, according to the Department of Business, Economic Development, and Tourism, fully funding the Hawaii Tourism Authority Board of Director's approved budget request of \$80,000,000 for fiscal year 2026 and \$87,000,000 for fiscal year 2027 would generate additional visitor spending totaling more than \$600,000,000 for fiscal year 2026 and nearly \$850,000,000 for fiscal year 2027 compared to the current \$63,000,000 that is in the Hawaii Tourism Authority's base budget. Your Committee further finds that this measure will foster beneficial impacts on overall sales revenue, household incomes, state tax revenues, and local job creation statewide, as depicted below:



**HTA Budget Scenarios, FY2026:**

Description	Total Funding	Marketing	Other Spending	Estimated FY2026 Visitor Expenditures
HTA Board Approved Budget	\$80,000,000	\$49,309,914	\$30,690,086	\$2,965,759,470
At Current Base Budget	\$63,000,000	\$39,249,201	\$ 23,750,799	\$2,360,654,889

**HTA Budget Scenarios, FY2027:**

Description	Total Funding	Marketing	Other Spending	Estimated FY2026 Visitor Expenditures
HTA Board Approved Budget	\$87,000,000	\$53,283,649	\$33,716,351	\$3,204,760,946
At Current Base Budget	\$63,000,000	\$39,249,201	\$23,750,799	\$2,360,654,889

**Economic Impact under HTA Budget Scenarios, FY2026:**

Indicator:	Estimated Total Sales	Estimated Household Income	Estimated State Taxes	Number of Jobs
HTA Board Approved Budget	\$5,591,000,000	\$1,542,800,000	\$345,400,000	26,617
At Current Base Budget	\$4,449,300,000	\$1,227,600,000	\$274,900,000	21,181



**Economic Impact under HTA Budget Scenarios, FY2027:**

<b>Indicator:</b>	<b>Total Sales</b>	<b>Household Income</b>	<b>State Taxes</b>	<b>Number of Jobs</b>
HTA Board Approved Budget	\$6,042,500,000	\$1,667,400,000	\$373,300,000	27,824
At Current Base Budget	\$4,449,300,000	\$1,227,600,000	\$274,900,000	20,487

Your Committee finds it prudent to make these additional investments for economic resilience during times of uncertainty. Accordingly, your Committee has amended this measure by making appropriations to the Hawaii Tourism Authority for the budget request approved by the Hawaii Tourism Authority Board of Directors, contingent upon the Hawaii Tourism Authority entering a formal agreement that includes commitments from visitor industry representatives to meet goals for purchasing local products.

If a Committee on Conference is convened on this measure, your Committee respectfully requests that the Committee on Conference consider:

- (1) The legal concerns raised in the written comments submitted by the Cruise Lines International Association regarding a \$20 fee on any commercial passenger vessel;
- (2) Appropriating the sum of \$16,989,989 to the Hawaii Tourism Authority for fiscal year 2025-2026 in section 9 of the measure, including the following allocation amounts:
  - (A) \$444,326 for personnel services, including the establishment of two full-time equivalent (2.0 FTE) positions for BED113;
  - (B) \$10,060,713 for personnel services, including the establishment of one full-time equivalent (1.0 FTE) position, and brand and marketing expenses for BED114;
  - (C) \$11,617 for personnel expenses for BED115;

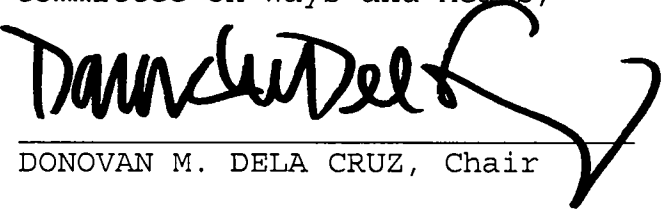


- (D) \$6,438,711 for personnel services, including the establishment of two full-time equivalent (2.0 FTE) positions, and destination stewardship and community expenses for BED116; and
  - (E) \$34,622 for personnel services BED117; and
- (3) Appropriating the sum of \$23,987,249 to the Hawaii Tourism Authority for fiscal year 2026-2027 in section 9 of the measure, including the following allocation amounts:
- (A) \$1,725,829 for personnel services, including the establishment of six full-time equivalent (6.0 FTE) positions for BED113;
  - (B) \$14,034,448 for personnel services, including the establishment of one full-time equivalent (1.0 FTE) position, and branding and marketing expenses for BED114;
  - (C) \$14,796 for personnel services for BED115;
  - (D) \$8,168,081 for personnel services, including the establishment of four full-time equivalent (4.0 FTE) positions, and destination stewardship and community expenses for BED116; and
  - (E) \$44,096 for personnel services for BED117.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 504, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 504, H.D. 2, S.D. 2.



Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
DONOVAN M. DELA CRUZ, Chair



