

Honolulu, Hawaii

FEB 14 2025

RE: S.B. No. 1396

S.D. 1

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

Sir:

Your Committees on Economic Development and Tourism and
Agriculture and Environment, to which was referred S.B. No. 1396
entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Address the impacts of climate change on the State and
mitigate further impacts by authorizing the funding of
resiliency projects;
- (2) Establish the Climate Mitigation and Resiliency Special
Fund and the Economic Development and Revitalization
Special Fund;
- (3) Increase the Transient Accommodations Tax and allocate a
portion of the tax to the two newly established special
funds; and
- (4) Appropriate funds.

Your Committees received testimony in support of this measure
from the Office of the Governor; Department of Business, Economic
Development, and Tourism; Department of Land and Natural
Resources; Hawai'i Emergency Management Agency; Office of Planning



and Sustainable Development; Hawaii State Energy Office; Recovery and Resiliency Unit of the Office of the Governor; Hawai'i Climate Advisory Team; Hawai'i Tourism Authority; Hawai'i Climate Change Mitigation and Adaptation Commission; Hawaii Green Infrastructure Authority; Hawai'i Ocean Legislative Task Force; Care for 'Āina Now Coalition; Kua'āina Ulu 'Auamo; Hawai'i Land Trust; Coalition Earth; and two individuals.

Your Committees received testimony in opposition to this measure from the Grassroot Institute of Hawaii, Kohala Coast Resort Association, and Maui Chamber of Commerce.

Your Committees received comments on this measure from the Department of the Attorney General, Department of Taxation, and Tax Foundation of Hawaii.

Your Committees find that as an island state, Hawaii is particularly susceptible to the effects of climate change, including rising temperatures, prolonged droughts, and increasingly destructive and deadly weather events. Your Committees further find that given the scale and impact of the climate emergency, it is imperative that the State invest in bold actions to prepare for, mitigate, and adapt to climate change, including resiliency to intensifying natural disasters. In recognition of these impacts and their potentially life-threatening consequences, this measure establishes the Climate Mitigation and Resiliency Special Fund and the Economic Development and Revitalization Special Fund to advance projects addressing the impacts of climate change that mitigate, adapt to, or increase resiliency against climate change.

Your Committees have amended this measure by:

- (1) Clarifying that the Adjutant General shall adopt administrative rules on the imposition and collection of fees;
- (2) Deleting language that would have required 7.3 percent of total revenue collected by the Transient Accommodations Tax to be allocated to the Economic Development and Revitalization Special Fund;
- (3) Amending section 1 to reflect its amended purposes;



- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development and Tourism and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1396, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1396, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Economic
Development and Tourism and
Agriculture and Environment,



MIKE GABBARD, Chair



LYNN DECOITE, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:* SB1396	Committee Referral: EDT/AEN, WAM	Date: 2/13/2023
--	--	---------------------------

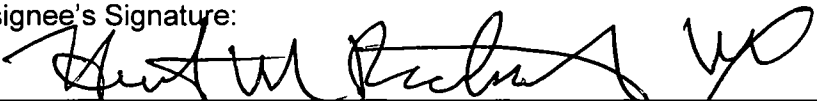
The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	X			
RICHARDS, III, Herbert M. "Tim" (VC)		X		
DECOITE, Lynn	X			
RHOADS, Karl	X			
AWA, Brenton			X	
TOTAL	3	1	1	

Recommendation:
 Adopted
 Not Adopted

Chair's or Designee's Signature:


Distribution:
 Original Yellow Pink Goldenrod
 File with Committee Report Clerk's Office Drafting Agency Committee File Copy

***Only one measure per Record of Votes**