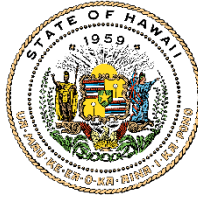


JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA

DIVISION OF STATE PARKS
P.O. BOX 621
HONOLULU, HAWAII 96809

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT

RYAN K.P. KANAKA'OLE
FIRST DEPUTY

CIARA W.K. KAHANE
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
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Testimony of
DAWN N.S. CHANG
Chairperson

Before the House Committees on
FINANCE

Tuesday, April 1, 2025
2:00 PM
State Capitol, Conference Room 308

In consideration of
SENATE BILL 439, SENATE DRAFT 1, HOUSE DRAFT 1
RELATING TO FEES

Senate Bill 439, Senate Draft 1, House Draft 1 (SB439, SD1, HD1) proposes to require the Board of Land and Natural Resources (Board) to adopt rules to impose user fees that apply solely to nonresidents visiting state parks and trails, as selected by the Board. **The Department of Land and Natural Resources (Department) provides the following comments.**

The Department, through the Division of State Parks (State Parks), is consulting with the Hawai'i Tourism Authority (HTA) on obtaining data to implement seasonal surge pricing comparable to the airline and hotel industry. One park unit per island is under consideration for implementing a dynamic pricing model. State Parks is anticipating bringing this to the Board pursuant to Act 194, SLH 2021, for approval in June with a modest increase in fees.

In regard to the provisions of SB439, SD1, HD1, State Parks has accomplished virtually all of the provisions of this bill. Below is a status on the action items listed in SB439, SD1, HD1.

(1) The board shall conduct studies to determine those state parks and trails to which the user fees should be applied: State Parks has applied the following evaluation criteria to assessing which park units are eligible and would succeed in the collection of parking and entrance fees:

- The number of out-of-state visitors is significant enough to attract and sustain third party parking and entry managers.
- The park unit has infrastructure and staffing to support and justify fee collection.
- The park has paved parking and roadways, comfort stations, and sufficient maintenance staff to ensure the quality of the conditions of the park unit.

- There is a single-entry point or ability to staff and control and manage multiple vehicle points of entry.
- The turnover rate of the patronage during the day is sufficient to generate sufficient revenue to cover management staffing costs for fee collection.
- There is an ability for a third party to install and maintain pay stations with sufficient connectivity for automated payments.
- If the park has been dominated by over tourism: reservation-based access is a tool to reduce daily patronage at overcrowded park units and ensure a quality experience - in addition to collecting revenue.
- For reservation-based fee collection, there is a means to measure and establish a daily temporal capacity and turnover rate of the parking area in order to preset reservation time periods and the ability to still ensure adequate parking and access for residents.
- For park units with reservation-based access, the contracts for the third party provide shift from a concession lease to a service contract – the fees prepaid and collected online, and the vendor is now only managing visitor compliance and traffic instead of collecting the fee.

(2) The board may designate the state parks and trails to which the user fees shall apply: This action has been codified in Chapter 13-146, HAR (see attached excerpt).

(3) Any user fee established pursuant to this section shall be adjusted over time for inflation, based on the Consumer Price Index in the Honolulu area as reported by the United States Bureau of Labor Statistics: This is the one provision of the bill that has not been executed, and State Parks is consulting with the National Association of State Park Directors on if this or a similar calculus has been applied to other State parks for fee increases.

(4) The board may reduce, increase, or repeal any user fee by adopting, amending, or repealing rules pursuant to chapter 91: Act194, SLH2021, has provided that the Board of Land and Natural Resources can adjust state park fees through Board action.

(5) The proceeds of any user fees collected pursuant to this section shall be deposited into the state parks special fund established pursuant to section 184-3.4: This is currently in effect and the spending ceiling of the State Parks Special Fund is \$30 million per Fiscal Year.

(6) This section shall not be construed to impose a minimum amount for any user fee or establish a minimum number of state parks or trails to which user fees shall apply. Chapter 13-146 HAR designates fees not by number of parks but by park category: State Parks, State Monuments, State Recreational Areas, State Historic Parks, State Wilderness Parks, State Scenic Shorelines, State Recreational Piers, and State Wayside Parks.

There are currently 10 state parks with parking and entry fees, and 4 of these park units have advance reservations systems in place for regulated access and collecting fees:

- Kaua'i: Kōke'e, Waimea Canyon, and Hā'ena State Parks (requires reservations)
- O'ahu: Diamond Head State Monument (requires reservations) and Nu'unau Pali State Wayside
- Maui: Mākena State Park, 'Iao Valley State Monument and Wai'ānapanapa State Park (both require reservations)
- Hawai'i: Hāpuna State Recreation Area, 'Akaka Falls State Park

Per Hawai'i Administrative Rules, Chapter 13-146, parking and entry fees at state parks are only levied upon out of state visitors. Hawai'i residents are gratis and do not require reservations to enter the respective park units.

An important legal element of this process is the transition from fee collection on-site with pay stations to off-site reservation-based fee collection and visitor capacity management. Existing or new contracts with the private sector partner must be revised from a concession to a service contract and requires Board action.

Based on the evaluation criteria, State Parks has currently identified 5 additional park units that qualify and are being evaluated for parking and entry fees and reservation-based access. Board action is required to obtain approve for an either and invitation for bid or a request for proposals for these park units:

1. Hawai'i; Kekaha Kai – Kua Bay: reservation-based parking and entry.
2. Hawai'i; Wailoa River SP- Rainbow Falls: after the design and construction of a parking area.
3. Hawai'i; Kealahakua Bay SHP will require reservation-based parking and entry upon completion of the parking area.
4. Kaua'i; Wailua River SP - reservation-based parking and entry.
5. O'ahu; Pu'u 'Ualaka'a State Wayside –reservation-based parking and entry.

Mahalo for the opportunity to provide testimony on this measure.

SB-439-HD-1

Submitted on: 3/28/2025 6:00:39 PM

Testimony for FIN on 4/1/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ted Bohlen	Hawaii Reef and Ocean Coalition	Support	Written Testimony Only

Comments:

SUPPORT!



March 29, 2025

Representative Kyle Yamashita, Chair
Finance Committee
House of Representatives
Hawaii State Legislature

Support for SB439 SD1 HD1

Dear Chair Yamashita and Members of the House Finance Committee,

Thank you for the opportunity to provide our support for SB439 SD1 HD1.

Collecting fees from visitors who use our state parks has shown to be a good model to fairly address those guests who may be staying with friends and family members and outside of paid accommodations where they are assessed the Transient Accommodations Tax (TAT).

We would suggest that there be a specific nexus between the fees collected at a particular area, with support for that area. For example, parking fees have been in effect at Hapuna Beach State Park for a number of years, and yet those fees aren't necessarily reinvested in the park itself. We saw that firsthand with the lack of movement on repairs and replacement of the water systems at that state park. If visitors see that their funds are being used to maintain and protect our natural resources, then they are much more willing to support them, rather than have those fees go into the general fund, where their use is unclear.

On behalf of our 5,500 employees and the 17,500 Hawaii Island residents they support, mahalo for the opportunity to provide our testimony in support of SB439 SD1 HD1.

Sincerely,

A handwritten signature in dark ink that reads "Stephanie P. Donoho". The signature is fluid and cursive, with the first name being the most prominent.

Stephanie Donoho, Administrative Director

Craig Anderson, VP Operations, Mauna Kea Resort – President
Pat Fitzgerald, CEO, Hualalai Investors – Vice President
Charlie Parker, General Manager, Four Seasons Hualalai – Secretary
Daniel Scott, Managing Director Rosewood Kona Village – Treasurer
Chris Sessions, DOSM, Fairmont Orchid – Board of Directors
Scott Head, VP Resort Operations, Waikoloa Land Company – Board of Directors
David Givens, General Manager, Hilton Waikoloa Village – Board of Directors
Rob Gunthner, Area VP Resort Operations, Hilton Grand Vacations – Board of Directors
Pete Alles, Regional VP and GM, Mauna Lani, Auberge Resorts Collection – Board of Directors
Mark Goldrup, General Manager, Waikoloa Beach Marriott – Board of Directors



Care for 'Āina Now Coalition

April 1, 2025

House Committee on Finance
Rep. Kyle Yamashita, Chair
Members of the Committee

Re: The Imperative of Adequate Funding to Protect Natural Resources
Support SB439 SD1 HD1, Relating to Fees

Aloha kākou,

On behalf of our coalition's leadership committee, we are writing in support of SB439 SD1 HD1 which is an important opportunity to generate funding for natural resource protection and restoration. The Care for 'Āina Now Coalition is on a mission to enhance visitor stewardship, conserve our cultural and natural resources, and invest in our 'āina to keep our community safe.

The health of Hawai'i's environment is inextricably linked to the health of our people, communities, and future generations. Our natural and cultural resources provide over \$6 billion in value to our economy each year yet have been chronically neglected and stewardship of these resources have been underfunded for decades. It's been estimated that we currently face a conservation funding gap of \$560 million per year. Today, this underinvestment continues to be a liability and risk to public safety. The more time that passes without healing our environment, the more lives, places, and communities are at risk of being harmed.

Our primary focus is adequate, permanent funding for the Department of Land and Natural Resources and community organizations to support stewardship and restoration of our natural resources. There are simple ways our State can safeguard our 'āina and people this year, including passing legislation that ensures visitor taxes go back to our environment through the TAT, and allocating funds for wildfire prevention and ecosystem resilience. These will help Hawai'i chart a new course that can sustain us. Site-based fees are one element of a much more comprehensive approach necessary to achieve the state's environmental goals.

This coalition, which works on the frontlines of natural and cultural resource management across the State, applauds the legislature for continuing to consider these solutions. We urge you to consider the crucial need for sustainable, broad-based investment to meet the immense challenges our environment faces, offset the impact left by nearly 10 million annual visitors, and invest in the long-term health of our communities. Hawai'i's natural resources are invaluable to the livelihoods of our local residents and integral drivers of our statewide economy as well as our visitor industry.

Please support SB439.



RESOURCES LEGACY FUND®
CREATIVE SOLUTIONS. LASTING RESULTS.

DATE: April 1, 2025

Re: Support for SB439 SD1 HD1 Relating to Fees

Aloha Chair Yamashita, Vice Chair Takenouchi, and esteemed committee members,

On behalf of Resources Legacy Fund, I am writing to express our support for SB439 SD1 HD1. This bill will lead to the adoption of rules to impose nonresident user fees for visiting state parks and trails, contributing to increased funding for the protection, management, and restoration of Hawai'i's natural resources. This measure is an important step toward a more comprehensive portfolio of state investment strategies that includes a Transient Accommodations Tax increase and/or an Environmental Stewardship Fee.

Hawai'i's natural environment is central to the state's identity and appeal, offering stunning landscapes and unique ecosystems enjoyed by millions of visitors. Our ecosystems sustain our way of life as residents, ensuring our freshwater supply and protecting our coastal infrastructure. Heavy visitation and escalating climate change impacts—such as wildfire, flooding, coastal erosion and coral bleaching—have taken a toll, creating urgent challenges that require immediate action and durable investment.

Resources Legacy Fund partners with communities and government to advance innovative solutions to catalyze action for conservation, equity, and climate solutions. With extensive experience supporting conservation policies and sustainable funding mechanisms, we are committed to ensuring long-term environmental stewardship for Hawai'i.

Nonresident user fees will generate funding, and if part of a larger comprehensive investment in environmental stewardship, can support critical conservation efforts such as restoring native forests and watersheds that supply our drinking water and reduce our wildfire risk and protecting coral reefs that feed our communities and protect us from coastal flooding. We believe that new funding must also be made available to community and conservation organizations that partner with government to care for Hawai'i's lands and waters. The Care for 'Aina Now coalition, which RLF participates in, urges that 25-50 percent of the funding be available through grants to community and conservation organizations.

This measure is more than an environmental safeguard—it is an investment in the safety of our communities and in Hawai'i's future. By linking tourism to stewardship, SB439 SD1 HD1 is a step toward helping preserve Hawai'i's natural and cultural resources while supporting its tourism economy.

We respectfully urge the committee to approve this legislation and ensure a sustainable future for Hawai'i.

Thank you for the opportunity to testify.



HOUSE COMMITTEE ON FINANCE

APRIL 1, 2025

SB 439, SD1, HD1, RELATING TO FEES

POSITION: SUPPORT

Coalition Earth **supports** SB 439, SD1, HD1, relating to fees, which requires the Board of Land and Natural Resources to adopt rules to impose user fees that solely apply to nonresidents visiting state parks and trails, as selected by the Board.

According to a report produced by the Hawai'i Climate Change Mitigation and Adaptation Commission, global sea levels could rise more than three feet by 2100, with more recent projections showing this occurring as early as 2060. In turn, over the next 30 to 70 years, approximately 6,500 structures and 19,800 people statewide will be exposed to chronic flooding. Additionally, an estimated \$19 billion in economic loss would result from chronic flooding of land and structures located in exposure areas. Finally, approximately 38 miles of coastal roads and 550 cultural sites would be chronically flooded, on top of the 13 miles of beaches that have already been lost on Kaua'i, O'ahu, and Maui to erosion fronting shoreline armoring.

As we work to reduce carbon emissions and stave off the worst consequences of climate change, we must begin preparing for the adverse impact of sea level rise on our shores. We are now quantifying the speed at which we must act. We cannot continue to develop the 25,800-acre statewide sea level rise exposure area—one-third of which is designated for urban use—without risking massive structural damage and, potentially, great loss of life.

Just two years ago, we witnessed the impact of the climate emergency on our shores. On August 8, 2023, wildfires swept across Maui and killed at least 100 people, making it one of the nation's deadliest natural disasters. The spread of the fires has been attributed to climate change conditions, such as unusually dry landscapes and the confluence of a strong high-pressure system to the north and Hurricane Dora to the south. The wildfires destroyed over 2,200 structures, including numerous residential buildings, historic landmarks, and school facilities. In September

2023, a report from the United States Department of Commerce estimated the total economic damage of the wildfires to be roughly \$5.5 billion. Investing in renewable energy generation could not be more urgent, given the growing threat of climate catastrophes to our island home.

Therefore, **our state should take steps to accelerate our transition to a clean energy economy and continue our fight against climate change, including by implementing “green fees” that ensure our state’s visitors pay their fair share to sustain our ‘āina.** In 2019, Conservation International published a report on our need to boost funding to defend our islands’ natural resources. Entitled “Green Passport: Innovation Financing Solutions for Conservation In Hawai‘i,” the report concluded that the state has an annual spending gap of \$358 million to sufficiently manage its natural environment. **A 2024 update to this figure for the Care for ‘Āina Now Coalition found that the gap has ballooned to \$580 million,** while our natural and cultural resources provide over \$6 billion in value to our economy each year.

New Zealand, the Maldives, Cancun, and Venice, and numerous other countries have green fee programs for visitors, which vary from \$1 per night to a \$100 entrance fee for the purpose of environmental conservation. **Palau’s per-tourist investment in its natural environment is \$92, New Zealand’s is \$188, and the Galapagos Islands’ is \$373. Hawai‘i’s is just \$9 per tourist,** according to the Green Passport report. We need to catch up.

We are facing a similar gap when it comes to generating sustainable revenue to combat the worst effects of the climate emergency. In June of last year, the state reached a settlement agreement in the landmark case of *Navahine v. Hawai‘i Department of Transportation*, in which Gov. Josh Green acknowledged the constitutional rights of Hawai‘i’s youth to a life-sustaining climate and confirmed the commitment by HDOT to plan and implement transformative changes to Hawai‘i’s transportation system to achieve the state’s goal of net-negative emissions by 2045. The agreement included numerous provisions for climate action, such as:

- Establishing a Greenhouse Gas Reduction Plan within one year of the agreement, laying the foundation and roadmap to decarbonize Hawai‘i’s transportation system within the next 20 years;
- Creating a lead unit and responsible positions within HDOT to coordinate the mission of GHG reduction throughout the agency; oversee climate change mitigation and adaptation for the highways program; and ensure implementation of the Complete Streets policy of building and upgrading public highways for all users, ages, and abilities;
- Establishing a volunteer youth council to advise on HDOT mitigation and adaptation commitments in the years to come;
- Improving the state transportation infrastructure budgeting process to prioritize reduction of GHG and vehicles miles traveled (VMT) and transparently analyze and disclose the GHG and VMT impacts of each project and the overall program; and
- Making immediate investments in clean transportation infrastructure, including completing the pedestrian, bicycle, and transit networks in five years, and dedicating a minimum of \$40 million to expanding the electric vehicle charging network by 2030.

On January 28th, Gov. Green issued an executive order to promote and expedite the development of renewable energy in our state. Amidst uncertainty regarding renewable energy policy created by the Trump administration and concerns over grid stability across the state, the order accelerates renewable development for neighbor island communities to hit 100 percent renewable portfolio standards from 2045 to 2035, sets a statewide goal of 50,000 distributed renewable energy installations (such as rooftop solar and battery systems) by 2030, and directs state departments to streamline the permitting of renewable developments to reduce energy costs and project development timelines.

These ambitious actions are essential to the preservation of our state's and our keiki's future. We must ensure that funding is available to meet our obligation to safeguard our planet from the climate catastrophe for generations to come.

*Coalition Earth is a nongovernmental organization that works to preserve the well-being of people and our planet. We champion policies that advance climate resilience, clean energy, public health, and economic fairness for working families. **Contact us at info@coalitionearth.org.***

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS; New “User Fee” for Nonresidents Visiting State Parks and Trails

BILL NUMBER: SB 439 SD 1

INTRODUCED BY: Senate Committee on Ways and Means

EXECUTIVE SUMMARY: Requires the Board of Land and Natural Resources to adopt rules to impose user fees that solely apply to nonresidents visiting state parks and trails, as selected by the Board.

SYNOPSIS: Adds a new section to chapter 184, HRS, directing the Board of Land and Natural Resources to adopt rules to impose user fees only for nonresidents visiting state parks and trails.

- (1) The board shall conduct studies regarding which state parks and trails the users fees shall apply;
- (2) The board may designate the state parks and trails at which the use fees shall apply;
- (3) The board may adopt seasonal pricing regarding user fees for state parks and trails;
- (4) Any user fee established pursuant to this section shall adjusted over time for inflation, based on the Consumer Price Index in the Honolulu area as reported by the United States Bureau of Labor Statistics;
- (5) The board may reduce, increase, or repeal any user fee by adopting, amending, or repealing rules pursuant to chapter 91;
- (6) The proceeds of any user fees collected pursuant to this section shall be deposited into the state parks special fund established pursuant to section 184-3.4; and
- (7) This section shall not be construed to impose a minimum amount for any user fee, or establish a minimum number of state parks or trails at which user fees shall apply.

EFFECTIVE DATE: July 1, 3000.

STAFF COMMENTS: This fee may be subject to challenge as unconstitutional. The Privileges and Immunities Clause of the U.S. Constitution requires that “The Citizens of each State shall be entitled to all Privileges and Immunities of Citizens in the several States.” Although it has been held that a state may treat out-of-state residents differently in some situations, such as in granting licenses for recreational hunting, *Baldwin v. Fish & Game Commission of Montana*, 436 U.S. 371 (1978), the Court indicated that the result may be different when the nonresident is not given access to any part of the State to which they may seek to travel. *Id.* at 388. This is because the Court has recognized that the Constitution protects the right of citizens of the United States to travel freely throughout the land.

“We are all citizens of the United States,” the Court stated in *Crandall v. Nevada*, 75 U.S. 35 (1867), “and as members of the same community must have the right to pass and repass through every part of it without interruption, as freely as in our own states. And a tax imposed by a state for entering its territories or harbors is inconsistent with the rights which belong to citizens of other states as members of the Union and with the objects which that Union was intended to attain. Such a power in the states could produce nothing but discord and mutual irritation, and they very clearly do not possess it.”

Other recent cases in the federal system have sustained the power of government to charge a user fee whose proceeds are dedicated to protect and preserve the natural attraction for which the user fee was charged (Hanauma Bay, for example). And the Hawaii Supreme Court in *State v. Medeiros*, 89 Haw. 361, 973 P.2d 736 (1999), held that the following test would be applied to distinguish between a user fee and a tax: “whether the charge (1) applies to the direct beneficiary of a particular service, (2) is allocated directly to defraying the costs of providing the service, and (3) is reasonably proportionate to the benefit received.” 89 Haw. at 367, 973 P.2d at 742.

We note that the state parks special fund, into which the proceeds are deposited, can be spent for parks generally, including (1) Permanent and temporary staff positions; (2) Planning and development of state parks programs, including the aina hoomalu state parks program; (3) Construction, repairs, replacement, additions, and extensions of state parks facilities; (4) Operation and maintenance costs of state parks and state parks programs; and (5) Administrative costs of the division of state parks. The exception is the Diamond Head State Monument subaccount, which receives fees for Diamond Head admission and can be spent only on Diamond Head.

Applying this test, the proposed user fee looks more like a tax. Although the fee is collected in a special fund, it can be spent on any park or trail, not only the park or trail that the payor of the fee paid to enter or use. Indeed, the uses to which the money in the fund can be put are broad and varied, and are not limited to the care and upkeep of natural attractions visited by tourists.

For these reasons we are concerned that the State is without power to limit access of visitors to places where residents are allowed.

Digested: 3/31/2025



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
Tuesday, April 1, 2025 AT 2:00 P.M.**

To The Honorable Representative Kyle T. Yamashita, Chair
The Honorable Representative Jenna Takenouchi, Vice Chair
Members of the Committee on Finance

COMMENTS ON SB439 SD1 HD1 RELATING TO FEES

The Maui Chamber of Commerce would like to provide **comments on SB439 SD1 HD1** that requires the Board of Land and Natural Resources to adopt rules to impose user fees that apply solely to nonresidents visiting state parks and trails as selected by the Board.

We understand the intent of this bill to streamline the process of imposing fees for nonresidents at state parks and trails. However, we feel BLNR should take up each park/trail on a case-by-case basis to ensure the community has ample opportunities to ring in on the process, rules, and any economic impacts from the potential fees.

Mahalo for the opportunity to provide **comments on SB439 SD1 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.

SB-439-HD-1

Submitted on: 3/28/2025 6:25:57 PM

Testimony for FIN on 4/1/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Douglas Perrine	Individual	Support	Written Testimony Only

Comments:

Maintenance of our state parks is chronically underfunded. Therefore I support SB439 to raise funds for our parks.