

STAND. COM. REP. NO.

226

Honolulu, Hawaii

FEB 06 , 2025

RE: H.B. No. 1077
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Energy & Environmental Protection, to which
was referred H.B. No. 1077 entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Authorize the Department of Defense to fund projects that strengthen the State's resiliency against climate change;
- (2) Require the Department of Defense to convene a selection committee to review and recommend projects to receive an allocation of monies from the Climate Mitigation and Resiliency Special Fund;
- (3) Establish the Climate Mitigation and Resiliency Special Fund;
- (4) Establish the Economic Development and Revitalization Special Fund;
- (5) Increase the Transient Accommodations Tax and allocate a portion of the tax to the Climate Mitigation and



Resiliency Special Fund and the Economic Development and Revitalization Special Fund; and

- (6) Appropriate funds into and out of the special funds established in this measure.

Your Committee received testimony in support of this measure from the Office of the Governor; Office of the Governor Recovery and Resiliency Unit; Hawai'i Climate Advisory Team; Department of Land and Natural Resources; Department of Business, Economic Development, and Tourism; Hawai'i Emergency Management Agency; Hawaii State Energy Office; Office of Planning and Sustainable Development; Hawaii Green Infrastructure Authority; Hawai'i Climate Change Mitigation & Adaptation Commission; Kua'āina Ulu 'Auamo; Hawai'i Land Trust; Coalition Earth; Climate Protectors Hawai'i; Pacific Whale Foundation; Care for 'Āina Now Coalition; and three individuals. Your Committee received testimony in opposition to this measure from 3 G International, Inc.; Grassroot Institute of Hawaii; Maui Chamber of Commerce; and eight individuals. Your Committee received comments on this measure from the Department of the Attorney General; Department of Taxation; Hawai'i Tourism Authority; Tax Foundation of Hawaii; and Hawai'i Lodging & Tourism Association.

Your Committee finds that the State is experiencing a climate emergency that is threatening the health and well-being of Hawaii's residents and environment. This measure establishes funding mechanisms to advance projects addressing climate change, including the establishment of the Climate Mitigation and Resiliency Special Fund and Economic Development and Revitalization Special Fund.

Your Committee has amended this measure by:

- (1) Changing the appropriations to unspecified amounts;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider the following appropriation amounts:

- (1) \$50,000,000 into and out of the Climate Mitigation and Resiliency Special Fund;
- (2) \$90,000,000 out of the Climate Mitigation and Resiliency Special Fund; and
- (3) \$90,000,000 out of the Economic Development and Revitalization Special Fund.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1077, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1077, H.D. 1, and be referred to your Committees on Economic Development & Technology and Tourism.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



NICOLE E. LOWEN, Chair



