



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

Senate Committee on Ways and Means

Thursday, February 27, 2025

10:30 a.m.

State Capitol, Conference Room 211, and Videoconference

In Support

S.B. No. 1396, S.D. 1, Relating to Economic Development

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Senate Committee on Ways and Means:

The Office of the Governor supports S.B. No. 1396, S.D. 1, Relating to Economic Development. S.B. No. 1396, S.D. 1, establishes the Climate Mitigation and Resiliency Special Fund and the Economic Development and Revitalization Special Fund. The bill also increases the Transient Accommodations Tax beginning January 1, 2026, and allocates a portion of the funds generated by the increase to the Climate Mitigation and Resiliency Special Fund.

Among Governor Green's Climate Advisory Team's policy recommendations to increase Hawaii's preparedness for and mitigation of climate-related disasters is the establishment of a climate resilience fund to finance climate and disaster resiliency initiatives. This bill establishes the Climate Mitigation and Resiliency Special Fund (CMRSF) to advance projects addressing the impacts of climate change, including projects that mitigate, adapt to, or increase resiliency against climate change. The placement of the special fund within the Department of Defense, the State's lead for hazard mitigation and disaster readiness, ensures that the fund is administered with an attentiveness to disaster preparedness and mitigation, and particularly the State's needs in these critical areas.

Although the Department of Defense will administer the CMRSF, it is not the sole entity responsible for vetting projects to receive funding from the CMRSF. Just as climate impacts are felt across the State, resiliency projects will affect and require cooperation across sectors. A diverse group of stakeholders, including representatives from the Departments of Business, Economic Development, and Tourism; Budget and Finance; Land and Natural Resources; and Transportation; as well as representatives of the public appointed by the Legislature will select projects for CMRSF funding to ensure selected projects reflect statewide needs and priorities. Below are examples of the types of projects that the selection committee may consider funding.

- Mānā Plains, Kaua'i (\$5,000,000): constructs critical fencing and fire breaks in preparation for harvestable, sustainable native plant products and seeds and supports the growing of seed stock, outplanting, and indigenous agro-ecology for sustainable food and ecosystem services
- Whitmore Village Reservoir Network (\$12,350,000): constructs a reservoir to support wildfire and drought mitigation, enables first responders to combat wildfires, reduces fuel loads through active agriculture, and stores water to mitigate drought to ensure year-round water availability for the community
- As well as dozens of other projects around the State that are smaller in scale, but equally important, such as \$500,000 to remove highly flammable invasive fountain grass in South Kona and \$3,000,000 to establish a green break around Ukumehame Wetland in West Maui

The Economic Development and Revitalization Special Fund (EDRSF), administered by the Department of Business, Economic Development, and Tourism, is essential to ensuring the long-term sustainability and competitiveness of Hawaii's resort and tourism areas, which are central to the State's economy. As climate change intensifies, rising sea levels, extreme weather events, and coastal erosion threaten the very foundations of these vital economic hubs. Without proactive investment in climate mitigation, adaptation, and resiliency efforts, Hawaii's tourism industry risks significant economic losses, infrastructure damage, and reduced visitor appeal. By integrating climate adaptation with economic revitalization, the State can safeguard its tourism industry while promoting a more sustainable and resilient future.

Given the scale of current and future climate impacts to Hawaii, the Climate Advisory Team advised allocating \$1.375 billion over the next five years to the climate resilience fund. To avoid placing an undue financial burden upon Hawaii residents, the team recommended increasing the Transient Accommodations Tax (TAT). The TAT is currently at a statewide minimum of 10.25 percent and is expected to generate an estimated \$1.054 billion in fiscal year 2024, according to the Department of Budget and Finance. By increasing the TAT rate by 1.75 percent to a total of 12.00 percent, the State could raise annual TAT revenue to an estimated \$1.234 billion.

S.B. No. 1396, S.D. 1, allocates \$90 million of the \$180 million additional TAT revenues generated per year to the CMRSF. Utilizing increased TAT revenues to fund resiliency and economic development projects would couple visitor impacts to the State's natural and built resources to their continued financial support and longevity. For this reason, **the Office of the Governor respectfully requests that the Committee reinstate the language on page 13, lines 15–18, of the original bill, which allocates to the EDRSF 7.3 percent of total TAT revenues per year.** Tourism areas, including our precious beaches and waterfalls, cultural

Testimony of the Office of the Governor
S.B. No. 1396, S.D. 1
February 27, 2025
Page 3

landmarks, and heritage sites experience significant use due to large numbers of visitors. Everyone must do their part to ensure the health of these resources. For visitors to the islands, this includes supporting Hawaii's places and people, especially those heavily impacted by tourism, through the TAT.

Climate mitigation and resiliency is essential to the health, safety, and wellbeing of Hawaii's islands and people. The tourism industry is essential to our economy. We must fund projects that will strengthen the State's ability to mitigate and adapt to the impacts of climate change without financially burdening Hawaii's residents. S.B. No. 1396, S.D. 1, accomplishes these dual goals through establishing the Climate Mitigation and Resiliency Special Fund, the Economic Development and Revitalization Special Fund, and processes to allocate these funds in a fair and transparent manner.

The Office of the Governor looks forward to continuing discussions on this bill. Thank you for the opportunity to provide testimony on this measure.



Co-Chairs:
Chair, DLNR
Director, OPSD

Commissioners:
Chair, Senate AEN
Chair, Senate WTL
Chair, House EEP
Chair, House WAL
Chairperson, HTA
Chairperson, DOA
CEO, OHA
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Director, DOH
Chairperson, DOE
Director, C+C DPP
Director, Maui DP
Director, Hawai'i DP
Director, Kaua'i DP
The Adjutant General
Manager, CZM

**STATE OF HAWAII
HAWAII CLIMATE CHANGE MITIGATION & ADAPTATION
COMMISSION
POST OFFICE BOX 621
HONOLULU, HAWAII 96809**

**Testimony of
LEAH LARAMEE
Climate Change Coordinator on behalf of
Climate Change Mitigation and Adaptation Commission Co-Chair Mary Alice Evans and
Co-Chair Dawn N.S. Chang**

**Before the House Committee on
WAYS AND MEANS**

**Thursday, February 27, 2025
10:30 AM
State Capitol, Conference Room 211 & Videoconference**

**In consideration of
SENATE BILL 1396 SENATE DRAFT 1
RELATING TO ECONOMIC DEVELOPMENT**

Senate Bill 1396 SD1 establishes the Climate Mitigation and Resiliency Special Fund to be administered by the Department of Defense to advance projects addressing climate change impacts. Requires the DOD to convene a selection committee to review and recommend projects for Climate Mitigation and Resiliency Special Fund allocation. Requires the Adjutant General to adopt rules. Establishes the Economic Development and Revitalization Special Fund to be administered by the Department of Business, Economic Development, and Tourism for projects advancing economic development or revitalization; infrastructure within tourism districts or resort areas; climate change mitigation, adaptation, or resiliency; and tourism marketing. Requires DBEDT to establish procedures for receiving and evaluating project proposals for Economic Development and Revitalization Special Fund allocation. Requires DBEDT to submit annual reports to the Legislature. Beginning 1/1/2026, increases the Transient Accommodation Tax and allocates a portion thereof to the Climate Mitigation and Resiliency Special Fund. Appropriates funds **The Hawai'i Climate Change Mitigation and Adaptation Commission (Commission) supports this measure provided that its passage does not replace or adversely impact priorities indicated in the Executive Budget request.**

The Commission consists of a multi-jurisdictional effort between 20 different departments, committees, and counties to protect the lives and livelihoods of the people of Hawai'i through accelerate climate action. This bill provides a sustainable funding mechanism to support climate actions across the state to mitigate and recover from the life-threatening impacts of climate change. Climate actions have been severely underfunded with expected costs rising each year of inaction.

The devastating fires of Lahaina, a singular event exacerbated by climate change, is expected to cost over \$12 billion dollars. Skyrocketing insurance premiums and mass exodus from insurance agents in vulnerable areas are a clear indication that we can no longer ignore the costly impacts of climate. A 2024 study shows that every \$1 spent on climate resilience and preparedness saves communities \$13 in damages, cleanup costs and economic impact.ⁱ In other words the cost of taking no action today will be 13 times the cost of investment today. We can no longer rely on the federal government to provide supporting funds and technical assistance for disaster recovery. An investment into climate mitigation and resilience is an investment into our people, economy and future.

The Commission’s “Grants to Projects Bridge” (<https://climate.hawaii.gov/grants-to-projects-bridge>) has identified unfunded climate projects totaling nearly \$1 billion annually. These projects were identified as needs by state agencies, included in state and county plans, and submitted by community members ready to implement climate resilience in their communities. The establishment and funding of this fund is an important strategy to close the gap between existing and needed funding for climate disaster preparation and recovery. This program would bolster the State’s existing investments in climate readiness.

Regarding testimony voicing concerns over increases to the TAT leading to declining visitor numbers, the Department of Business, Economic Development and Tourism November 2024 marked the fourth-consecutive month with year-over-year growth in both visitor arrivals and expenditures.¹ Tourism has large impacts on our environment, is a big contributor to climate change in the state and it is time to prioritize residents’ needs. Visitor destination management plans are making progress. However, much work still needs to be done to create a sustainable tourism economy. The contribution of the TAT can help to contribute to actions to making Hawai’i safer in the face of climate change.

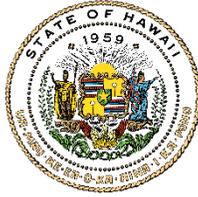
Mahalo for the opportunity to testify in support of this measure.

ⁱ <https://www.uschamber.com/security/the-preparedness-payoff-the-economic-benefits-of-investing-in-climate-resilience>

¹ [Department of Business, Economic Development & Tourism | Visitor Industry Recorded Fourth Consecutive Year-over-Year Growth in November 2024](#)

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

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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. KAHAHANE
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
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COMMISSION ON WATER RESOURCE
MANAGEMENT
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ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**Testimony of
DAWN N. S. CHANG
Chairperson**

**Before the Senate Committee on
WAYS AND MEANS**

**Thursday, February 21, 2025
10:30 AM**

State Capitol, Conference Room 211 & Videoconference

**In consideration of
SENATE BILL 1396, SENATE DRAFT 1
RELATING TO ECONOMIC DEVELOPMENT**

Senate Bill 1396, Senate Draft 1, establishes the Climate Mitigation and Resiliency Special Fund and the Economic Development and Revitalization Special Fund, increases the Transient Accommodations Tax, allocates a portion of the tax to the newly established special funds, and appropriates funds. **The Department of Land and Natural Resources (Department) supports this measure.**

According to the Climate Advisory Team's (CAT) policy recommendations, Hawai'i's first line of defense against climate change threats is a thriving environment. The CAT report prioritizes invasive species removal to lessen wildfire risk and fortify natural protections such as native forested watersheds and wetlands against storms. Forests and wetlands dramatically reduce erosion and flooding by holding soil and increasing water infiltration. Protecting Hawai'i's native forests is a priority action to secure Hawai'i's water supplies, which are increasingly affected by drought. Forests absorb cloud moisture, increasing water capture up to 50% more than rainfall alone. These actions directly mitigate climate change impacts and improve Hawai'i's adaptation to a changing climate. A study commissioned by the Greenhouse Gas Sequestration Task Force identified forest protection as the food and land use solution with the most impactful emissions reduction.

The Department supports establishing both the CMRSF and the EDRSF to close the funding gap for managing Hawaii's natural resources. The CAT recommended that environmental investment and stewardship of public lands receive \$137.5 million per year. For a more detailed understanding of specific projects these funds could support, please explore the Division of Forestry and Wildlife's

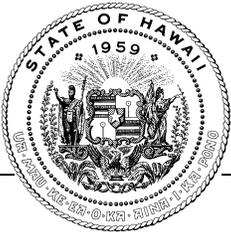
[interactive story map^{\[1\]}](#), highlighting ongoing and potential environmental stewardship initiatives across the state. Viewers can learn about the location, budget, and descriptions of over 80 potential projects, such as the example project shown below.



West Hawaii Fence Infrastructure for Fire Prevention and Suppression \$2,500,000

This project constructs fencing infrastructure and fuel breaks at the Puu Anahulu Game Management Area to protect the increasingly rare native dryland forest. Fencing will allow managed grazing of fuels to create a fuel break, preventing rapid fire starts and spreads in the area. Additionally, this fence will also keep sheep, goats, and pigs off the highway, reducing road strikes.

Mahalo for the opportunity to testify on this measure.



**STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT**

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARY ALICE EVANS
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Written Statement of
MARY ALICE EVANS, Director

before the
SENATE COMMITTEE ON WAYS AND MEANS

Thursday, February 27, 2025, 10:30am
State Capitol, Conference Room 211

in consideration of
SB 1396, SD1
RELATING TO ECONOMIC DEVELOPMENT

Chairs Dela Cruz and Vice Chair Moriwaki, and Members of the Senate Committee.

The Office of Planning and Sustainable Development (OPSD) **strongly supports** SB 1396, SD1, which establishes the Climate Mitigation and Resiliency Special Fund and the Economic Development and Revitalization Special Fund, increases the Transient Accommodation Tax (TAT), and allocates the increased TAT funds to the newly established special funds.

OPSD supports this bill because the newly established special funds will facilitate adaptation to climate change, ensuring the health, safety, and well-being of the State's lands, waters, and people. Investing in a comprehensive and coordinated response to climate change will help reduce current impacts while also reducing future costs.

Thank you for the opportunity to testify on this measure.



**Testimony of
Gwen Yamamoto Lau
Executive Director
Hawaii Green Infrastructure Authority
before the
Senate Committee on Ways and Means
Thursday, February 27, 2025, 10:30 AM
State Capitol, Conference Room 211
in consideration of
Senate Bill No. 1396, SD1
RELATING TO ECONOMIC DEVELOPMENT**

Chair Dela Cruz, Vice Chair Moriwaki and Members of the Committee:

Thank you for the opportunity to testify in **strong support** of SB1396, SD1, which establishes the Climate Mitigation and Resiliency Special Fund and the Economic Development and Revitalization Special Fund, funded by an increase in the Transient Accommodations Tax.

Serving as a member of the Climate Advisory Team over the past six months has heightened my awareness of the devastating impacts of disasters and underscored the importance of investing in pre-disaster preparedness to mitigate future losses and long-term recovery.

As an island state, we are at ground-zero for climate related disasters. Adding to our vulnerabilities are islanded grids, with the next closest land mass that will be able to provide much needed resources over 2,300 miles away.

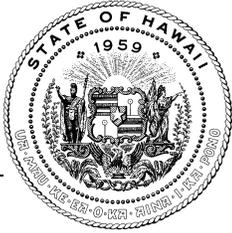
The Climate Mitigation and Resiliency Special Fund will provide ongoing funding to:

- Increase resilience in our communities by fortifying homes susceptible to hurricanes, as well as ensuring our communities are provided with necessary resources, capacity building technical assistance (e.g., Vibrant Hawaii, Hawaii Hazards Awareness and Resilience Program; Hawaii Wildfire Management Organization, etc.) to provide pre and post-disaster education, planning and coordination through community-based organizations, to increase a community's readiness, in collaboration with local, state and federal agencies;
- Coordinate statewide planning, collaboration and conduct disaster preparedness exercises and drills on a regular basis to ensure communities, local, state and federal governments are aligned during an actual disaster; and
- Ensure a thriving environment by removing invasive plants that provide fuel for wildfires and fortify natural protections against hurricanes and storm surges.

The Economic Development and Revitalization special fund enables the state to invest in much needed revitalization projects, shore up infrastructure within tourist districts and resort areas, implement resiliency and adaptation measures and provide funding for tourism marketing.

It is our *kuleana* to invest in our communities to mitigate the impacts of climate disasters as well as take care of our fragile ecosystems that keep Hawaii a top travel destination by investing in the Climate Mitigation and Resiliency and Economic Development and Revitalization Special Funds.

Thank you for this opportunity to testify in strong support of SB 1396, SD1.



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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MARK B. GLICK
CHIEF ENERGY OFFICER

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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
SENATE COMMITTEE ON WAYS AND MEANS

Thursday, February 27, 2025
10:30 AM
State Capitol, Conference Room 211 and Videoconference

In SUPPORT of
SB 1396, SD1

RELATING TO ECONOMIC DEVELOPMENT.

Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee, the Hawai'i State Energy Office (HSEO) supports SB 1396, SD1, an Administration measure, which establishes the Climate Mitigation and Resiliency Special Fund (CMRSF) and the Economic Development and Revitalization Special Fund (EDRS), increases the Transient Accommodations Tax (TAT) starting in 2026, and allocates a portion of this increase to the newly established CMRSF.

HSEO concurs with the Legislature's finding that immediate investments in climate change resilience and mitigation are needed to protect Hawai'i's economy and people. With a balanced approach, HSEO believes the TAT is an appropriate and effective vehicle to fund such investments given their long-term benefits to Hawai'i's visitor industry. HSEO stands ready to support the agencies tasked with administration of the CMRSF and EDRS, and the Selection Committee to review and recommend CMRSF investments; particularly those related to energy and transportation resilience.

As this is a fiscal issue, we defer to the appropriate agency for comment.

Thank you for the opportunity to testify



TESTIMONY OF
DANIEL NĀHO'OPI'I
Interim President & CEO
Hawai'i Tourism Authority
before the
SENATE COMMITTEE ON WAYS AND MEANS

Thursday, February 27, 2025
10:30 a.m.
State Capitol, Room 211

In consideration of
SB 1396 SD 1
RELATING TO ECONOMIC DEVELOPMENT

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

The Hawai'i Tourism Authority (HTA) supports with comments of SB 1396 SD 1, which establishes the climate mitigation and resiliency special fund (CMRSF) to be administered by the Department of Defense to advance projects addressing climate change impacts. Requires the Adjutant General to adopt rules. It also establishes the economic development and revitalization special fund (EDRSF) to be administered by the Department of Business, Economic Development, and Tourism (DBEDT) for projects advancing economic development or revitalization; infrastructure within tourism districts or resort areas; climate change mitigation, adaptation, or resiliency; and tourism marketing. This measure requires DBEDT to establish procedures for receiving and evaluating project proposals for EDRSF allocation. It also increases the Transient Accommodations Tax (TAT) starting in January 1, 2026, allocates a portion thereof to the CMRSF, and appropriates funds. It sets the effective date to July 1, 2050.

As stated in the bill, tourism's resiliency to climate change is critical since it is predicated on land and natural resources and therefore, we look forward to collaborating with the other agencies to develop the procedures to implement both funds.

Additionally, while we understand the intention behind raising the TAT, the HTA must ensure that such tax increases do not create barriers to travel but should provide a positive and competitive business environment [HRS 201B-3(a)(17)]. We are concerned that the proposed funding mechanisms lack a clear nexus to tourism's resiliency, as they do not guarantee direct

funding for infrastructure improvements in visitor areas and enhancing tourism marketing efforts. HTA plans to work with other agencies and interested parties to discuss the issues raised.

As this is a fiscal issue, we defer to the appropriate agency for comment.

Mahalo for the opportunity to share our comments.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKA'I

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

JAMES KUNANE TOKIOKA
DIRECTOR

DANE K. WICKER
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Statement of
JAMES KUNANE TOKIOKA
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON WAYS AND MEANS

Thursday, February 27, 2025
10:30 AM
State Capitol, Conference Room 211

In consideration of
SB 1396, SD1
RELATING TO ECONOMIC DEVELOPMENT.

Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee:

The Department of Business, Economic Development & Tourism (DBEDT) strongly supports SB1396, SD1, which establishes the Climate Mitigation and Resiliency Special Fund and the Economic Development and Revitalization Special Fund, financed by an increase in the Transient Accommodations Tax (TAT).

The Climate Advisory Team (CAT), convened by Governor Green, has emphasized that Hawai'i faces an increasing frequency and severity of climate-related disasters, which pose an existential threat to our economy, natural resources, and communities. Their Policy Recommendations on Climate Disaster Resilience, Recovery, and Funding stress the urgent need for dedicated funding to support resilience projects, enhance economic stability, and protect Hawai'i from catastrophic financial and environmental losses.

The Need for SB1396, SD1: Economic and Climate Resilience

SB1396, SD1 aligns with key CAT policy recommendations, which highlight that:

- Hawai'i incurs an estimated \$1.4 billion in annual damages from hurricanes, wildfires, and flooding. Without intervention, these losses are expected to increase by 25% over the next 25 years.
- Investing in resilience has a proven return on investment. For every \$1 spent on disaster preparedness, \$6 in future disaster recovery costs are avoided.

- The lack of dedicated climate disaster funding has exacerbated vulnerabilities, as seen in the Lahaina wildfire tragedy, which resulted in 102 lives lost and over \$5 billion in damage.
- Invasive species, unmanaged vegetation, and inadequate fire mitigation efforts have increased wildfire risks across the islands, with the CAT calling for immediate action to remove hazardous fuel loads.
- Hawai'i's housing crisis is compounded by climate risks, making post-disaster recovery funding essential to prevent displacement and long-term economic instability.

The Role of the Climate Mitigation and Resiliency Special Fund

The Climate Mitigation and Resiliency Special Fund proposed in SB1396, SD1 addresses the CAT's recommendation to establish a Hawai'i Climate Resilience Fund (HCRF), which would:

- Fund large-scale wildfire fuel reduction and coastal restoration projects.
- Invest in climate-adaptive infrastructure, such as resilient energy grids and fortified housing.
- Develop emergency response and recovery capabilities to prevent economic collapse in the wake of disasters.
- Support the removal of invasive plant species that fuel wildfires and worsen storm surges.
- Create resilience hubs and upgrade emergency communication systems to protect vulnerable communities.

The Role of the Economic Development and Revitalization Special Fund

The Economic Development and Revitalization Special Fund aligns with CAT's call for economic resilience investments, ensuring:

- Critical infrastructure repairs and upgrades in response to climate-related disasters.
- Support for economic diversification strategies that reduce Hawai'i's reliance on tourism while ensuring that visitors contribute to the cost of maintaining the islands' environment and infrastructure.
- Sustained revenue streams for climate action without burdening local taxpayers.

Leveraging the Transient Accommodations Tax for Sustainable Funding

The CAT policy recommendations emphasize that new revenue sources must be fair, reliable, and avoid increasing costs for local residents. Increasing the Transient Accommodations Tax (TAT) ensures that visitors contribute to preserving the environment and funding the state's resilience measures. Similar policies have been successfully implemented in other high-risk regions, reinforcing the need for Hawai'i to

secure a stable, dedicated funding source for climate adaptation and economic revitalization.

SB1396, SD1 represents a critical investment in Hawai'i's long-term safety and prosperity. By aligning with the Climate Advisory Team's urgent recommendations, this bill provides a comprehensive framework for mitigating climate risks, protecting communities, and ensuring economic resilience.

For these reasons, the Department of Business, Economic Development & Tourism strongly supports SB1396, SD1.

Mahalo for the opportunity to testify on this important measure.

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

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**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

S.B. No. 1396, S.D. 1, Relating to Economic Development.

BEFORE THE:

Senate Committee on Ways and Means

DATE: Thursday, February 27, 2025

TIME: 10:30 a.m.

LOCATION: State Capitol, Room 211

Chair Dela Cruz , Vice-Chair Moriwaki, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding S.B. 1396, S.D. 1, an Administration measure, for your consideration.

S.B. 1396, S.D. 1, amends the Transient Accommodation Tax (TAT) rate and distribution schedule under chapter 237D, Hawaii Revised States (HRS).

Section 4 increases the TAT rate from 10.25% to 12% under section 237D-2, HRS, effective January 1, 2026. Of that 12%, 1% will continue to be allocated into the mass transit special fund. The remaining 11% will be distributed according to section 237D-6.5, HRS, with any remaining monies being deposited into the general fund.

Section 5 amends 237D-6.5(b), HRS, by adding an allocation of 7.3% of the total TAT revenue to the climate mitigation and resiliency special fund.

This bill has a defective effective date of July 1, 2050.

DOTAX can administer the tax law changes in this bill with a January 1, 2026 effective date.

DOTAX estimates a revenue gain from the tax provisions in this bill as follows:

General Fund Impact (\$ millions)

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
\$29.5	\$72.9	\$75.1	\$77.4	\$79.7	\$82.1

Climate Mitigation and Resiliency Special Fund Impact (\$ millions)

FY 2026 (5 months)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
\$29.5	\$72.9	\$75.1	\$77.4	\$79.7	\$82.1

Thank you for the opportunity to provide comments on this measure.



Hawai'i Climate Advisory Team

To: Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair
Senate Committee on Ways and Means

From: The Climate Advisory Team

SB1396, SD1 - Relating to Economic Development - In Strong Support

Thursday, February 27, 2025, 10:30 a.m., Conference Room 211 & Videoconference

Mahalo for the opportunity to testify in **strong support** of SB1396, SD1 relating to economic development. As members of the Governor's Climate Advisory Team (CAT), we believe the state must invest in bold actions to prepare for, mitigate, and adapt to the adverse impacts of disasters, which are increasing in severity and frequency with climate change. This bill takes a major, important step in that direction by establishing a clear mechanism to fund the critical resilience work that must be done to protect homes, businesses, and lives in the face of extreme disasters.

The CAT is a volunteer group, convened by Governor Green to develop community-informed policy recommendations to help make Hawai'i more resilient to natural disasters. The CAT published its findings and recommendations in a [policy paper](#) in January 2025. **The CAT's top priority recommendation is for the state to establish a Climate Mitigation and Resiliency Special Fund, as SB1396, SD1 would do, to ensure dedicated, long-term funding for resilience projects. It is also a top priority of the Governor's administration for the 2025 legislative session.**

As a State, we face increasingly devastating risks of climate-related disasters, yet we lack a reliable, consistent funding source for disaster mitigation and resiliency efforts. If it persists, this imbalance threatens significant harm to Hawai'i's families, communities, businesses, economy, and precious natural resources. While funding alone will not solve the challenges we face from disasters, the CAT emphasizes that a coordinated approach for state climate resiliency requires sustained financial support from sources that do not exacerbate the cost of living crisis Hawai'i's families face.

The CAT's analysis finds that increasing the Transient Accommodation Tax (TAT) to a total of 12 percent would provide a substantial and likely consistent funding stream for disaster resiliency and economic revitalization initiatives while minimizing any direct financial hit to residents and the most vulnerable populations of our state. While the stability of this revenue source is closely tied to visitor numbers which can vary, it is also tied to visitor impacts on the environment and our State's built infrastructure.

In the CAT's policy paper, we make several recommendations for climate mitigation and resiliency work that urgently requires coordinated action and funding by the state. These are specific areas where



Hawai'i Climate Advisory Team

funding from the Climate Mitigation and Resiliency Special Fund should be directed to address the most pressing disaster-related threats we face:

Environmental Resilience Projects:

- **Wildfire Risk Reduction:** Perpetual management of high-fire-risk vegetation to remove invasive grasses, bushes, and trees; replacing invasive-dominant areas with thriving native ecosystems; restoration and management of healthy forests; environmental stewardship of watersheds and streams to create and capture rainfall, recharge aquifers and reduce fire risk.
- **Hurricane and Tsunami Damage Mitigation:** Beach and dune conservation; coral reef management, stewardship, and restoration; fishpond restoration and stewardship of coastal wetlands that buffer communities from risk; restoration and management of native coastal vegetation and dunes; prevention of overgrowth of albizia and other high-risk trees that can topple onto homes, roads, and utility infrastructure.
- **Minimize Flooding Risk:** Management of healthy native watersheds and stream buffers to absorb rainwater, slow the speed and volume of runoff, and decrease flooding; vegetation management and maintenance of permeable surfaces to continue runoff absorption and slow flows; restoration of lo' i kalo and 'auwai systems; establishment or maintenance of natural retention areas in high-pavement or high-risk areas.

These critical investments will strengthen our environment as our first line of defense against disasters. Environmental resiliency work in other states like California has been found to reduce wildfire risk and significantly reduce the cost of recovery when disasters do occur. Please see [Section 3.3 of the CAT's Policy Recommendations on Climate Disaster Resilience, Recovery and Funding](#) for more information.

Other projects funded by the Climate Mitigation and Resiliency Special Fund should be directed towards increasing the resilience of Hawai'i's communities. A tremendous amount of work is already underway by communities and homeowners themselves to enhance their own readiness, but more financial, organizational, and planning support from the state is needed to accelerate these efforts. Some of these initiatives have been proposed in separate legislation this session, and could be funded through the Climate Mitigation and Resiliency Special Fund. These priority areas for community resilience are:

- **Establish a Home Retrofit Program:** Create a home retrofit grant program modeled after the Strengthen Alabama Homes program to fortify residential structures against wind damage.
- **Promote Community Resilience Through Pre-Disaster Education and Coordination:** Organize an annual conference focused on disaster prevention, preparation, and education to bring together experts, local leaders, and community members to develop coordinated strategies to face disasters.
- **Promote Resilience Hubs:** Support resilience hubs across our communities through state funding for community-driven efforts to develop hubs and subsidization of ongoing operations.



Hawai'i Climate Advisory Team

- **Upgrade Emergency Communications:** Upgrade emergency communication systems and processes.

The CAT also supports the Economic Development and Revitalization Special Fund to the extent that this fund also prioritizes climate change resilience and adaptation.

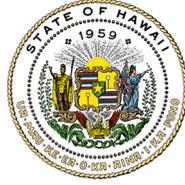
Hawai'i's tourism industry depends on our state's land and natural resources. Investing now to protect our natural environment and local communities from the devastating impacts of climate-related disasters will help ensure Hawai'i remains a desirable travel destination for visitors. The proposed increase to the TAT to fund statewide disaster resiliency and economic development initiatives is fair because it accounts for the visitor industry's impact on state resources and avoids added financial burden to our most vulnerable residents.

Thank you for the opportunity to testify before your committee in **strong support** of SB1396, SD1.

With aloha,

The Climate Advisory Team

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



STEPHEN F. LOGAN
MAJOR GENERAL
ADJUTANT GENERAL
KA 'AKUKANA KENELALA

JAMES DS. BARROS
ADMINISTRATOR OF
EMERGENCY MANAGEMENT
KAHU HO'OMALU PŌULIA

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF DEFENSE
KA 'OIHANA PILI KAUA
HAWAI'I EMERGENCY MANAGEMENT AGENCY
4204 DIAMOND HEAD ROAD
HONOLULU, HAWAI'I 96816-4420

STATE OF HAWAI'I
DEPARTMENT OF DEFENSE
HAWAI'I EMERGENCY MANAGEMENT AGENCY

TESTIMONY ON SENATE BILL 1396 SD1,
RELATING TO ECONOMIC DEVELOPMENT

BEFORE THE SENATE COMMITTEE ON
WAYS AND MEANS

BY

JAMES DS. BARROS
ADMINISTRATOR
HAWAI'I EMERGENCY MANAGEMENT AGENCY



FEBRUARY 27, 2025

Aloha Chair Dela Cruz, Vice-Chair Moriwaki, and Members of the Committee:

Thank you for the opportunity to submit testimony to **SUPPORT** Senate Bill 1396 SD1, as amended.

The Hawai'i Emergency Management Agency (HIEMA) strongly supports this bill as it provides essential funding for resiliency and climate mitigation projects that are crucial for preparing Hawai'i for increasingly frequent and severe climate impacts. HIEMA endorses any initiative aimed at strengthening and bolstering the resilience of real properties within Hawai'i's communities, ensuring that our infrastructure and ecosystems can withstand future climate-related challenges.

By establishing dedicated special funds, this measure ensures that the state can take swift, coordinated action to protect communities, infrastructure, and natural resources. The implementation of both the Climate Mitigation and Resiliency Special Fund and the Economic Development and Revitalization Special Fund will offer the flexibility and financial resources needed to address the wide-ranging impacts of climate change on Hawai'i.

Additionally, the bill's provisions to increase the Transient Accommodations Tax and allocate a portion of the revenues to these special funds provide a sustainable funding mechanism to tackle long-term climate resilience efforts. This will enhance Hawai'i's ability to prepare for and respond to climate-induced disasters, safeguarding public safety and minimizing future costs from climate-related damages.

The amendments including the clarification that The Adjutant General shall adopt administrative rules on the obligation and collection of fees, further streamline the process and ensure effective management of these funds.

This measure also prioritizes climate resiliency in economic development projects, further ensuring that the state's infrastructure and tourism industries are better equipped to withstand future climate challenges. HIEMA supports this measure, with the understanding that its passage will not have a negative impact on the priorities outlined in the Executive Budget.

Thank you for the opportunity to provide testimony supporting Senate Bill 1396 SD1.

James Barros: james.barros@hawaii.gov; 808-733-4300

**Testimony of The Nature Conservancy
Supporting SB 1396 SD1, Relating to Economic Development.
Committee on Ways and Means
February 27, 2025 at 10:30 am
Conference Room 211 and via Videoconference**

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committees:

Mahalo for the opportunity to testify today. The Nature Conservancy (TNC) Hawai'i and Palmyra supports SB 1396 SD1, which would establish the Climate Mitigation and Resiliency Special Fund and authorize the Department of Defense to fund projects that strengthen the State's resiliency against climate change.

Hawai'i faces surmounting environmental challenges like wildfires, disappearing coastlines, bleached coral reefs, and an underinvestment in the management of these natural and cultural resources. As an island region, our community safety faces growing risk the longer we go without significant funding toward environmental protection and restoration. Hawai'i is in immediate need of additional resources to conserve and protect our ecosystems, native species, coastlines, and the community livelihoods that depend on these resources.

Recent polling funded by the Nature Conservancy and the Trust for Public Land shows that 3 in 4 visitors support paying their appropriate contribution for the protection and restoration of the natural places and resources they use, visit, and experience during their time here. Paired with polling from previous years showing support with over 85% of Hawai'i voters, there is clearly immense public support for this initiative.

SB 1396 SD1 is one clear pathway to protecting, restoring, and enhancing Hawai'i for our local communities and the visitors we share it with, for future generations and beyond. By establishing a clear climate resilience fund, we ensure that our State makes the long-term, sustained investments to care for our 'āina and reduce risk to our communities. However, we encourage the legislature to ensure that the proposed mechanisms in this bill align with the scale of our challenges and make use of the strong expertise already in place in our State government.

Mahalo for the opportunity to testify in support of SB 1396 SD1.

Guided by science, TNC is a non-profit organization dedicated to the preservation of the lands and waters upon which all life depends. The Conservancy has helped protect more than 200,000 acres of natural lands in Hawai'i and Palmyra Atoll. We manage 40,000 acres in 13 nature preserves and have supported over 50 coastal communities to help protect and restore the nearshore reefs and fisheries of the main Hawaiian Islands.

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February 22, 2025

Senator Donovan Dela Cruz, Chair
Senator Sharon Moriwaki, Vice Chair
Senate
Hawaii State Legislature

Opposition to SB1396 SD1

Dear Chair Dela Cruz, Vice Chair Moriwaki and Members of the Senate Committee on Ways and Means,

Thank you for the opportunity to provide our testimony in opposition to SB1396 SD1.

Until the State of Hawaii and all four counties have shown that they are fairly and equitably collecting the full amount of Transient Accommodations Tax (TAT) and General Excise Tax (GET) that are legally due from **all** accommodations types – hotels, timeshares and short-term vacation rentals - the Kohala Coast Resort Association (KCRA) will consistently oppose any increases for any purpose.

The KCRA conducts an economic and community impact report every two years. Through our attached 2024 report (based on 2023 data), we showed that the hotels and timeshares on the Kohala Coast paid the vast majority of the TAT collected from our island – more than \$75.7M. And yet, we represent only a portion of the hotels, timeshares, and short-term vacation rentals located on Hawaii Island.

Granicus/Host Compliance, which aggregates data from the hosting platforms and works with governments across the country to collect the taxes that are owed, has been delving into the impact of unpaid TAT in Hawaii. They have provided proposals to the State Department of Taxation, the City and County of Honolulu, and recently provided a report to Hawaii County leaders. They showed there were 8,700 unique short-term vacation rentals operating on our island as of November 2024, with an average daily rate of \$347/night.

With an average occupancy of 50%, based on DBEDT's vacation rental reports, if the TAT were equitably collected, those operators should have paid \$56.4M in TAT to the state, and \$16.5M in TAT to Hawaii County. And yet the budget line item for Hawaii County TAT for fiscal year 2023-24 was \$24M, \$17M of which was paid only by the members of the KCRA. **The math just doesn't add up.**

Before the Hawaii State Legislature considers raising the TAT for any purpose, we believe it needs to fully understand and collect the full amount of TAT and GET it is owed from all accommodations types. With that knowledge, you can then fully assess whether it is truly necessary to increase the TAT for this, or any other purpose.

Visitation to Hawaii is not a given. Visitors have more opportunities than ever before to visit destinations around the world. And Hawaii already has the reputation of having some of the highest visitor taxes in the world, as this article from the January 25, 2025 edition of Travel+Leisure attests - [What to Know About the Proposed Tourist Fee in Hawaii](#). Hawaii's high visitor taxes aren't just being discussed by lawmakers and the visitor industry, the visitors, especially corporate meeting planners, are using that as a justification to take their business to other destinations like Florida and Mexico.

Before the Legislature moves forward with any increases that could negatively impact the economic driver of our state, it needs to make sure that all state agencies charged with collecting taxes and visitor fees are doing so to their full capacity. Further, it needs to show visitors that the taxes they currently pay (TAT, GET, rental car fees, airport landing fees, ocean tourism fees, parking fees at parks like Hapuna Beach State Park) are being collected fairly, and used to address visitor impacts. With the vast majority of tax collections going into the state's general fund, there is no clear nexus.

On behalf our 5,500 employees and their 17,500 family members, we thank you for the opportunity to provide our comments in opposition to SB1396 SD1.

Sincerely,



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



2024 Executive Summary - KCRA Economic and Community Impacts

- ❖ The Kohala Coast consists of a twenty-mile stretch on the northwest shore of the Island of Hawaii. The Kohala Coast is a part of both the North Kona and South Kohala districts of Hawaii County. The KCRA was established in 1984 by the developers of the master-planned resorts along the Kohala Coast. Over the last 40 years, the KCRA has grown to include Hualalai, Waikoloa, Mauna Lani and Mauna Kea Resorts, as well as the hotel and timeshare management companies located within those resorts.
- ❖ KCRA members have invested billions of dollars in private funding to develop and maintain the infrastructure within the resorts, which are utilized and enjoyed by residents and visitors alike. These include roadways, water, wastewater, parks, restrooms, shopping centers, historic sites, interpretive signage, and community facilities.
- ❖ When combined, the amount paid by KCRA members for GET, TAT, property taxes, payroll for their employees, construction and renovation projects, marketing efforts, agricultural enhancements, and charitable donations sums to more than \$815 million for 2023 alone.
- ❖ KCRA members operate 2,718 hotel rooms and 1,229 timeshares. The resorts also contain 778 resort residential units, home to both full and part-time Hawaii residents, as well as legal short-term vacation rentals. KCRA resorts also include shopping centers, golf courses, spas, and restaurants representing more than 100 small businesses.
- ❖ KCRA members represent 5 of the top 10 private employers on the island according to *Pacific Business News*. Collectively KCRA members employ nearly 5,500 residents, supporting more than 17,000 community members.
- ❖ The average salary and benefits package for employees of KCRA member properties is nearly \$82,000 per year, with starting salaries for full-time positions in the mid-\$50K. Starting hourly rates for employees average more than \$17.50/per hour.
- ❖ The vast majority of KCRA members' employees live in zip codes neighboring the Kohala Coast (96738, 96740, 96743, 96755, 96727). Less than 8 percent of KCRA members' employees live in East Hawaii (from 2022 report).
- ❖ In 2023 KCRA members paid more than \$44.3 million in GET and **\$75.7 million in TAT to the State of Hawaii and County of Hawaii**. KCRA's members, as well as the businesses and residents within our resorts, paid nearly \$151 million in property taxes to Hawaii County in 2023, accounting for more than one-third of all property taxes.
- ❖ Member resorts have spent more than \$658 million on construction and renovations since 2020. We also welcomed back Kona Village, which had been a previous member, was destroyed by the 2006 tsunami, and came back online in 2023. These construction upgrades allow Hawaii County to keep its competitive advantage as a visitor destination, while creating numerous jobs for other residents statewide in the construction industry. During the next six years our members will invest nearly \$1 billion more, including major hotel renovations at Mauna Kea Beach Hotel, and the creation of the first affordable rental housing project within a resort footprint in the State of Hawaii, with the development of Kumu Hou at Waikoloa Resort.
- ❖ KCRA members actively participate in the Hawaii Island Destination Management Action Plan (DMAP) and have led efforts on Hawaiian cultural education programming for visitors; promotion of local agricultural products through their restaurants and retail outlets; as well as stewardship and maintenance of the natural resources along the coastlines where resorts are located. KCRA resort employees supplement the work of our first responders and emergency services with privately funded safety and security personnel and lifeguard programs benefiting visitors and residents alike. In addition, KCRA members actively participate in the marketing and management activities of the destination, supplementing the funding allocated to the Hawaii Tourism Authority and Island of Hawaii Visitors Bureau, spending nearly \$200 million in private funds in the last four years.

- ❖ KCRA is proud that the leadership teams for our hotels, timeshare management companies and resorts are comprised of hundreds of local residents. At seven of our member properties more than 40% of their managers are from Hawaii, with one property leading our efforts with 85% of its management team from the state.
- ❖ KCRA members are incredibly generous, collectively donating more than \$2 million annually to local non-profit organizations. One signature event, hosted at KCRA member properties, is the Hawaii Lodging and Tourism Association's annual Visitor Industry Charity Walk. Since its inception more than 40 years ago, the Charity Walk has raised nearly \$20 million for local charities, and new fundraising records are established each year.
- ❖ In addition to their substantial financial contributions, employees at KCRA member properties also volunteer thousands of hours annually to community organizations. As leaders within their respective resort communities, KCRA members also introduce part-time and full-time residents who live in their respective resorts to philanthropic opportunities across the island and the state. As a collective, we work hard to address the high cost of living for members of our community who fall into ALICE designations.
 - KCRA members regularly support the Hawaii Island Food Basket, Salvation Army food drives, and their chefs and culinary teams provide support for community meal programs, such as the one at St. James Episcopal Church in Waimea, which reaches more than 950 families each week.
 - KCRA members are highly invested in environmental causes including: Four Seasons Resort Hualalai's Legacy Trees initiative, where more than 65,000 koa trees have been planted to protect watersheds; Mauna Kea Resort's partnerships with the Nature Conservancy and Hawaii Island Land Trust; and Fairmont Orchid's partnership with the Waikoloa Dry Forest initiative. KCRA members' employees and family members regularly gather for beach and road cleanup projects all along the Kohala Coast.
 - Many KCRA members volunteer with different hula halaus, cultural clubs, sports teams and educational groups to showcase our island's diverse cultures and interests. Our members sponsor performances promoting the Hawaiian, Japanese, Portuguese, and Chinese cultures that make up our diverse island. We also host running, cycling, triathlons, paddling, golf, tennis and youth sports clinics and events.
 - Our KCRA team members serve on the board of directors for business, arts and cultural organizations; support educational, religious and community organizations; and even help defray the costs of education and home ownership, through our resident-driven ohana foundations.
- ❖ In addition to the arenas mentioned above, KCRA members provide vital support for other sectors including: retail – 3 shopping centers, restaurants, art galleries and pop-up small business incubators; services – real estate, architecture, landscape, interior design; special events – festivals, sports, weddings, photography, florists; natural resources stewardship - trails, bays, beaches, anchialine ponds, signage; and cultural preservation - historic sites, petroglyphs, and native Hawaiian cultural education programs.

Sustainable tourism management is exemplified by the members of the KCRA.

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
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Maui Hotel & Lodging
ASSOCIATION

COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

February 23, 2025 Testimony in OPPOSITION of SB1396 SD1

Aloha Chair Dela Cruz, Vice Chair Moriwaki and Committee members

I am writing on behalf of the Maui Hotel and Lodging Association to express our **strong opposition** to SB1396 SD1, which proposes a significant increase in the Transient Accommodations Tax (TAT). While we fully recognize the urgent need to address climate change and invest in disaster preparedness, we believe that the proposed hike in the TAT would have devastating effects on Maui's struggling tourism industry.

Maui's visitor numbers and spending have been notably low, and our local businesses are already facing extremely challenging economic conditions. At this critical time, the tourism industry is still working to recover from past disruptions, and an increase in the TAT would only serve to further hinder that recovery.

Hawaii already carries the distinction of having the highest tourism tax rates in the nation. Raising the TAT at this juncture would further diminish our competitiveness in the global tourism market, putting us at a disadvantage compared to other destinations. While we wholeheartedly support efforts to address climate change and enhance economic resilience, we urge that alternative funding mechanisms be explored to avoid the potential harm that this tax increase would cause to Maui's economy and the livelihood of those who depend on tourism.

We appreciate your consideration of our concerns and respectfully request that SB1396 SD1 be revisited with an eye toward balancing necessary environmental efforts with the realities facing our local economy.

John Pele
Executive Director-Maui Hotel and Lodging Association
john.pele@mauihla.org



Testimony Before The
House Committee on Finance (FIN)
IN SUPPORT OF SB1396 SD1
February 27, 2025, 10:30 a.m., Room 415 Via Videoconference

We are Olan Leimomi Fisher and Kevin Chang, Kua'āina Advocate and Executive Director, respectively, testifying on behalf of [Kua'āina Ulu 'Auamo \(or KUA\)](#). "Kua'āina Ulu 'Auamo" stands for "grassroots growing through shared responsibility," and our acronym "KUA" means "backbone." **Our mission is to connect and empower communities to improve their quality of life through the collective care for their biocultural (natural and cultural) heritage, serving as a "backbone organization" that supports creative, community-driven solutions to problems stemming from environmental degradation.** Hawai'i's biocultural resources continue to be negatively impacted by political, economic, and social changes, and the increasing dangers of climate change make fostering and empowering resilient communities acutely critical.

Currently KUA supports three major networks of: (1) over 40 mālama 'āina (caring for our 'āina or "that which feeds") community groups collectively referred to as E Alu Pū (moving forward together); (2) over 60 loko i'a (fishpond aquaculture systems unique to Hawai'i) and wai 'ōpae (anchialine pool systems) sites in varying stages of restoration and development, with numerous caretakers, stakeholders, and volunteers known as the Hui Mālama Loko I'a ("caretakers of fishponds"); and (3) the Limu Hui made up of over 50 loea (master experts) and practitioners in all things "limu" or locally-grown "seaweed." **Our shared vision is to once again experience what our kūpuna (ancestors) referred to as 'ĀINA MOMONA – abundant and healthy ecological systems that sustain our community resilience and well-being.**

KUA supports SB1396 SD1 with amendments, as a step towards 'āina momona.

This bill would increase the transient accommodations tax and allocate a portion to two newly established funds, the Climate Mitigation and Resiliency Special Fund and the Economic Development and Revitalization Special Fund. We appreciate that the preamble of this bill acknowledges that "the community" is a key player and partner with the Department of Defense and others "to provide for the safety, security, and wellbeing of Hawaii's places and people."

However, missing from SB1396 SD1 is the understanding and recognition that Native Hawaiian cultural values and stewardship practices already hold many of the solutions to prevent and mitigate the climate crisis. Engaging our local communities in direct environmental management and governance, often in collaboration with our state agencies, is key to overcoming the many challenges of our changing climate. As such, **if this measure is passed, we strongly urge that a dedicated portion of the proposed Climate Mitigation and Resiliency Special Fund specifically support and empower community-based individuals, groups, and organizations as essential partners with governmental agencies and/or private businesses in restoring, protecting, and caring for our shared biocultural resources.**

As such, we suggest amendments as follows to SECTION 2., § -3(b):

(b) Moneys in the climate mitigation and resiliency special fund shall be used to advance projects addressing climate change impacts, ~~including projects that mitigate, adapt to, or increase resilience against climate change.~~ **including but not limited to, community-led projects utilizing traditional Native Hawaiian protocols and practices that mitigate, adapt to, or increase resilience against climate change.** Moneys may also be used for consultant, personnel, and administrative costs required to develop and implement the aforementioned projects.

We appreciate the necessary, creative, and collaborative approaches our state supports that build up our incoming generations with intention, and in a way that benefits ongoing community efforts to support ecosystem regeneration.

The communities we work with are committed to ensuring the long-term health of our biocultural resources. They have depended on them for generations. **We believe our environment, the foundation of our very existence, is about long-term investment and a vision of ‘āina momona.** To get there it requires greater self-sufficiency including development of innovative and sustainable career pathways, mindsets, relationships, and resource flows for mālama ‘āina efforts led by the communities doing the work on the ground. Passing this bill out of your Committee will open an essential ‘auwai system toward reaching this vision.

Mahalo nui loa for considering our testimony. Please **PASS** SB1396 SD1 with our suggested amendments.

Aloha ‘Āina Momona no nā kau ā kau.

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TRANSIENT ACCOMMODATIONS, Establish two new special funds and increase the TAT to feed them

BILL NUMBER: SB 1396 SD 1

INTRODUCED BY: Senates Committee on Economic Development and Tourism and Agriculture and Environment

EXECUTIVE SUMMARY: Establishes the Climate Mitigation and Resiliency Special Fund and the Economic Development and Revitalization Special Fund. Beginning January 1, 2026, increases the Transient Accommodations Tax. Allocates funds generated by the increase to the newly established funds.

SYNOPSIS: Adds a new chapter to the HRS to establish a new Climate Mitigation and Resiliency special fund. Moneys in the climate mitigation and resiliency special fund shall be used to advance projects addressing climate change impacts, including projects that mitigate, adapt to, or increase resiliency against climate change. Moneys may also be used for consultant, personnel, and administrative costs required to develop and implement the aforementioned projects.

Adds a new section to chapter 201, HRS, to establish a new Economic Development and Revitalization special fund. Moneys in the economic development and revitalization special fund shall be used for projects advancing: (1) Economic development or revitalization; (2) Infrastructure within tourism districts or resort areas; (3) Climate change mitigation, adaptation, or resiliency; and (4) Tourism marketing.

Amends section 237D-2, HRS, to increase the base rate of the transient accommodations tax and the transient occupancy tax from 9.25% to 11%. Increases the “transit period” rate of the tax to 12% until December 31, 2030.

Amends section 237D-6.5, HRS, to add a 7.3% earmark of the TAT revenue collections to the Climate Mitigation and Resiliency special fund established in this bill.

EFFECTIVE DATE: July 1, 2050.

STAFF COMMENTS: This is an Administration bill sponsored by the Office of the Governor and designated GOV-02 (25).

The 1989 Tax Review Commission noted that use of special fund financing is a “departure from Hawaii’s sound fiscal policies and should be avoided.” It also noted that special funds are appropriate where the revenues to the funds maintain some direct connection between a public service and the beneficiary of that service. The Commission found that special funds which merely set aside general funds cannot be justified as such actions restrict budget flexibility,

create inefficiencies, and lessen accountability. It recommended that such programs can be given priority under the normal budget process without having to resort to this type of financing.

Special funds are pots of money that exist for a specific purpose and largely bypass the legislative appropriation process. The existence of hundreds of these special funds has often confounded those who seek answers to simple questions like “How much money does the State have?”

Our Legislature is supposed to be the steward of all state moneys, but special funds make it very easy to lose track of where the money is and how it is being spent. Departments are supposed to tell the Legislature if they have special funds and how much is in them, but let’s just say they don’t always. Recently, in Report No. 20-01, the State Auditor took DBEDT to task for failing to report \$6.5 million in non-general fund moneys. DBEDT’s response? Just that they’ll “take corrective action.” Not even a “Whoops! We screwed up and promise to do better next time!” This followed closely on the heels of Report No. 19-16, where the Auditor found that \$1.04 million in non-general fund moneys administered by the Attorney General wasn’t reported. That department responded that they “shall establish procedures to assure required reports are issued.” Is it any wonder that it’s getting harder and harder to follow the money and rein in government spending?

Perhaps as the result of the foregoing concerns, the Legislature has itself established criteria for when a special fund may be maintained (HRS section 37-52.3). Those criteria are that the special fund:

- (1) Serves a need, as demonstrated by:
 - (A) The purpose of the program to be supported by the fund;
 - (B) The scope of the program, including financial information on fees to be charged, sources of projected revenue, and costs; and
 - (C) An explanation of why the program cannot be implemented successfully under the general fund appropriation process;
- (2) Reflects a clear nexus between the benefits sought and charges made upon the program users or beneficiaries or a clear link between the program and the sources of revenue, as opposed to serving primarily as a means to provide the program or users with an automatic means of support that is removed from the normal budget and appropriation process;
- (3) Provides an appropriate means of financing for the program or activity that is used only when essential to the successful operation of the program or activity; and
- (4) Demonstrates the capacity to be financially self-sustaining.

Here, there is no indication that the proposed funds can be financially self-sustaining. Furthermore, the nexus between the means of financing (tax on transient accommodations) and the programs/activities (climate resiliency or economic revitalization) is questionable at best. Establishing these special funds are thus inappropriate, as is the proposed method of financing the funds.

Digested: 2/24/2025

SB-1396-SD-1

Submitted on: 2/24/2025 3:13:27 PM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
laurel brier	Testifying for Kauai Climate Action Coalition	Support	Written Testimony Only

Comments: People who come to visit Hawaii and appreciate its fabulous natural beauty want to help preserve it. With the looming loss of federal funds for climate resilience and mitigation we must find other resources for this most important challenge before us. As a Climate Action Coalition on Kauai we believe it is also important to include a community grant component. A wide reach of community members and organizations is needed in this important work. We are your frontline and the informed, involved, necessary part of this important work



HAWAI'I LAND TRUST

Senate Committee on Ways and Means

Date: Thursday, February 27, 2025

Time: 10:30 AM

Place: CR 211 & via Videoconference

Re: SUPPORT – SB 1396 SD1 , Relating to Economic Development

Aloha e Luna Ho'omalua Dela Cruz, Hope Luna Ho'omalua Moriwaki, a me nā Lālā o ke Kōmike:

Hawai'i Land Trust **SUPPORTS** SB 1396 SD1, which establishes the Climate Mitigation and Resiliency Special Fund and the Economic Development and Revitalization Special Fund. This measure recognizes the urgent need to address the impacts of climate change while also supporting the long-term health of Hawai'i's communities, natural resources, and economy.

Hawai'i faces increasingly severe climate impacts—rising sea levels, prolonged droughts, and devastating natural disasters—that threaten not only our ecosystems but also the resilience of our communities and the stability of our economy. SB 1396 SD1 creates a framework to proactively invest in projects that strengthen climate resilience, protect ecosystems, and support Hawai'i's economy in navigating these challenges.

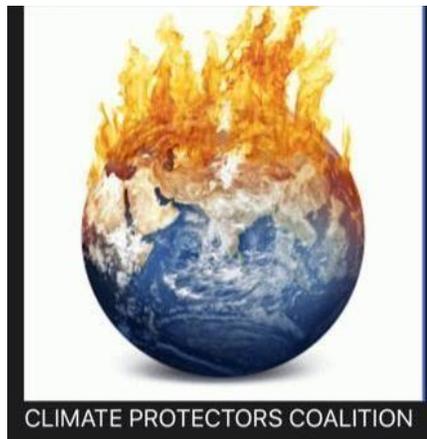
The Climate Mitigation and Resiliency Special Fund and the Economic Development and Revitalization Special Fund are essential tools to safeguard Hawai'i's future. By investing in projects that address climate risks while fostering sustainable economic growth, this measure helps ensure that Hawai'i's communities can adapt and thrive for generations to come.

I ola ka 'āina, ola kākou nei. Healthy lands support thriving communities. SB1396 is a critical step toward building a more resilient and sustainable Hawai'i.

Mahalo for this opportunity to testify,

'Olu Campbell

President and Chief Executive Officer



To: The Honorable Representative Donovan DelaCruz, Chair, the Honorable Sharon Moriwaki, Vice Chair, and Members of the Ways and Means Committee.

From: Hawai'i Reef and Ocean Coalition and Climate Protectors Hawai'i (by Ted Bohlen)

Re: **Hearing SB1396 SD1 RELATING TO ENVIRONMENTAL STEWARDSHIP**

Hearing: Thursday February 27, 2025 10:30 a.m. CR211

Aloha Chair DelaCruz, Vice Chair Moriwaki, and Members of the Ways and Means Committee!

The Hawai'i Reef and Ocean Coalition (HIROC) is a group of scientists, educators, filmmakers and environmental advocates who have been working since 2017 to protect Hawaii's coral reefs and ocean. We support funding to protect the reefs and ocean and for environmental stewardship.

The mission of the Climate Protectors Hawai'i is to educate and engage the local community in climate change action, to help Hawai'i show the world the way back to a safe and stable climate. We support measures to reduce climate warming and its impacts and for environmental stewardship.

Hawai'i Reef and Ocean Coalition and Climate Protectors Hawai'i **STRONGLY SUPPORT SB1396 SD1!**

Hawai'i's natural environment faces significant environmental pressure from the heavy use it receives from persons traveling to enjoy the State's natural resources. The stability of the State's natural systems is threatened, including food systems, water quality, ecosystems, fisheries, economic resilience, and health and safety.

The escalating impacts from climate heating also create an increasing threat to Hawai'i's island ecosystem and communities. **The protection, management, restoration, and stewardship of Hawai'i's natural resources is essential to gain resilience as a tropical island State to climate disasters.**

Additional funding is needed to restore the State's natural resources to help prevent climate crises from occurring, including wildfires, floods, coastal erosion, and degradation of coral reefs. The current underinvestment in the State's natural resources poses a significant liability to the visitor industry and to Hawai'i's residents. **It estimated we need at least \$560 million each year** to effectively care for our natural and cultural resources in Hawai'i.

We must fund projects that will strengthen the State's ability to mitigate and adapt to the impacts of climate change without financially burdening Hawaii's residents. Funding should be generated from visitors and distributed to solutions that are community based and facilitate partnerships between community and agencies. For years, there has been **wide public support for environmental program fees.** Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. *The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee.* **Visitors and residents agree: giving back to the places you visit is more than acceptable, it is necessary.**

This bill establishes the **Climate Mitigation and Resiliency Special Fund** to be administered by the Department of Defense to advance projects addressing climate change impacts. It requires the DOD to convene a selection committee to review and recommend projects for Climate Mitigation and Resiliency Special Fund allocation. The bill also establishes the **Economic Development and Revitalization Special Fund** to be administered by the Department of Business, Economic Development, and Tourism for projects advancing economic development or revitalization; infrastructure within tourism districts or resort areas; climate change mitigation, adaptation, or resiliency; and tourism marketing.

The funding mechanism or mechanisms have not been finally determined. Funding from visitors can take several forms and be administered by various agencies. Some possibilities include:

- **a visitor environmental stewardship fee (per day, one-time, or monthly) or**
- **an increase to the Transient Accommodations Tax (TAT).**

The Department of Land and Natural Resources may be a more appropriate administrator than Department of Defense for the Climate Mitigation and Resiliency Special Fund. Whatever mechanisms and administration are selected, funding should go to a dedicated fund for these purposes only and be distributed to solutions that are community based and facilitate partnerships between community and agencies!

This is the year elected leaders must act to keep our communities safe. We cannot wait for another fire, flood, or coral bleaching season without a solution! This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations.

Please pass this bill to help care for Hawaii's environment!

Mahalo!

Hawai'i Reef and Ocean Coalition and Climate Protectors Hawai'i (by Ted Bohlen)

Feb. 27, 2025, 10:30 a.m.

Hawaii State Capitol

Conference Room 211 and Videoconference

To: Senate Committee on Ways and Means

Sen. Donovan M. Dela Cruz, Chair

Sen. Sharon Y. Moriwaki, Vice Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

RE: TESTIMONY IN OPPOSITION TO SB1396 SD1 — RELATING TO ECONOMIC DEVELOPMENT

Aloha Chair Dela Cruz, Vice-Chair Moriwaki and other members of the Committee,

The Grassroot Institute of Hawaii would like to offer its comments **in opposition** to [SB1396 SD1](#), which would increase the current state transient accommodations tax rate by approximately 17%, from 10.25% to 12%, with the revenues from the tax increase to be directed to special funds intended to focus on climate, resiliency and economic revitalization projects.

Support for a TAT increase is often based on the faulty notion that the effect of the tax hike will fall exclusively on tourists. However, the TAT also directly affects Hawaii residents who need to stay in local transient accommodations when traveling interisland or simply seeking to enjoy a “staycation.”

Beyond that, a large body of research demonstrates that increasing taxes on tourists can also affect both the competitiveness of Hawaii's tourism industry and the health of local businesses that depend upon tourism dollars — which means the tax affects most, if not all, Hawaii residents, albeit in many cases indirectly.

For example, a 2017 European Union study on the impact of taxation on tourism in Europe found that high tourism taxes, passed on to tourists through higher prices, affected the competitiveness of particular

destinations.¹ Coastal and leisure destinations in particular were most adversely affected by increases in tourism taxes, especially compared to locations that were more focused on business travelers.

In addition, occupancy taxes similar to Hawaii's TAT were singled out as inequitable and especially frustrating to tourists. The EU study recommended that countries that depend heavily on tourism should reduce their tourism taxes in order to increase competitiveness.

Even unique destinations are not immune from the effect of taxation on international arrivals. A study of the Maldives, a country that earns as much as 70% of its revenue from tourism taxes, found that a 10% increase in tourism taxes — an amount significantly lower than the increase contemplated in this bill — reduces demand by 5.4%.²

To put it plainly, increasing tourism taxes decreases the number of visitors.

In addition, policymakers cannot assume that tourism taxes will not have an additional effect on visitor spending. It is common sense to assume that tourists will compensate for higher tourism taxes by adjusting their budgets and spending less on dining, activities or shopping.

This is borne out by a study of the effect of an air passenger duty on the budget allocations of United Kingdom tourists. The study found that tourists compensated for the higher taxes by decreasing destination expenditures on items such as accommodations and food.³

Thus, increasing tourism taxes will ultimately hurt Hawaii's restaurants, stores and hotels, as tourists decrease their expenditures to compensate for the state's higher taxes.

This is on top of the fact that Hawaii already has some of the world's highest tourism taxes,⁴ making any additional hike a threat to the continued health of the industry and the businesses that depend on it. Tourism is such a critical part of the state's economy that even industries that are not directly linked to tourism are linked to businesses that are.

¹ PricewaterhouseCoopers LLP, "[The Impact of Taxes on the Competitiveness of European Tourism](#)," European Commission, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, October 2017.

² Festus Fatai Adedoyin, Neelu Seetaram and George Filis, "[The Effect of Tourism Taxation on International Arrivals to a Small, Tourism-Dependent Economy](#)," Journal of Travel Research, Vol. 62, Iss. 1, pp. 135-153.

³ Haiyan Song, Neelu Seetaram and Sunh Ye, "[The effect of tourism taxation on tourists' budget allocation](#)," Journal of Destination Marketing and Management, March 2019, pp. 32-39.

⁴ Alison Fox, "[These Cities — Including 3 in the U.S. — Have the Most Expensive Tourist Taxes in the World, Study Shows](#)," Travel + Leisure, Aug. 12, 2022.

In addition, as I mentioned earlier, we should not ignore the fact that tourists are not the only ones who pay the TAT. For example, neighbor island residents who stay on Oahu for medical care, or families in need of a temporary dwelling after a natural disaster, must book either a hotel or a short-term rental. Likewise, medical professionals must stay somewhere while temporarily practicing in Hawaii.

In other words, a TAT increase will have a negative effect on the health of the state's tourism industry, its economy and the cost of living in general.

The worthiness of the purpose of this proposed tax increase would not negate the effect of that increase. If anything, it should prompt more careful analysis of the programs that would benefit from the tax revenues. Initiatives that use taxpayer money to support programs to help the environment or promote revitalization should be open to the scrutiny and accountability that accompany direct allocation from the general fund.

Finally, there is a certain irony in funding government programs aimed at "economic revitalization" via a tax that will burden Hawaii businesses and residents. The last thing Hawaii's economy needs is more taxes, regulation or special funds.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii



Care for 'Āina Now Coalition

February 27, 2025

Senate Committee on Ways & Means
Sen. Donovan Dela Cruz, Chair
Members of the Committee

Re: The Imperative of Allocating Adequate Funding to Protect Natural Resources
Support SB1396 SD1, Relating to Economic Development

Aloha kākou,

On behalf of our coalition's leadership committee, we are writing to support SB1396 SD1 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.

While we support the direction of this measure, we wish to work collaboratively with policy leaders to strengthen the potential impact this measure. The Care for 'Āina Now Coalition is composed of individuals and organizations dedicated to improving the management and protection of Hawai'i's natural resources for the benefit of our communities, economy, and environment. While we recognize the intent of this bill and its potential benefits, we also offer recommendations to ensure that it fully meets the urgent needs of our state. The growing impacts of climate change, including wildfires and severe flooding--in addition to the impacts of over-tourism--demand bold action, and we urge the legislature to make meaningful, long-term investments in safeguarding our island home.

At its core, our recommendation is for Hawai'i to significantly increase funding for natural resource management and restoration. Studies indicate that an additional \$560 million annually is required to address the current budget shortfall in protecting our islands from environmental threats. Without adequate investment, we will continue to see devastating wildfires, damaging floods, loss of biodiversity, and degradation of vital ecosystems. This measure represents an opportunity to help close this funding gap and build a more resilient future. However, we encourage the legislature to ensure that the proposed mechanisms in this bill align with the scale of our challenges and provide stable, long-term funding sources. We are requesting that the Fund established by this bill be under the purview of the Department of Land and Natural Resources instead of the Department of Defense and attach it administratively.

In addition, we request that the committee include DHHL, the Office of Hawaiian Affairs, and the Office of Planning and that at-large members to have expertise in climate science, adaptation, or resilience. Hawai'i's natural resources are the foundation of our islands' health, safety, and economic well-being. Clean water, healthy forests, intact coral reefs, and stable coastlines are not luxuries—they are necessities for our survival that protect our communities from wildfire, coastal storm surge, and flooding and storm-related erosion events. We commend the legislature for its past leadership, particularly in

declaring a climate emergency, and urge continued action to implement policies that translate this declaration into concrete solutions.

Legislators have a unique responsibility to enact policies that uphold our ethical duty to protect the environment now and for future generations. We encourage the committee to strengthen this measure by incorporating provisions that ensure transparent and equitable allocation of resources, prioritize community-led conservation efforts, and include accountability measures to track progress. Meaningful collaboration with local organizations and Indigenous knowledge holders will also be key to achieving the bill's goals.

In closing, we appreciate the opportunity to provide these comments on SB1396 SD1. We urge the legislature to use this measure as a foundation for further action, ensuring that Hawai'i commits the necessary investments to protect our islands. By doing so, we honor our kuleana to safeguard our natural heritage for all who call this place home—now and in the future.

Thank you for the opportunity to comment on this measure.



Care for 'Āina Now Coalition in Support of an Environmental Stewardship Fee

Testimony in Support of SB1396 SB1 Senate Committee on Ways and Means

Aloha Chair, Vice Chair, and Members of the Committee,

This coalition is made up of local businesses, community groups, and nonprofits organizations who have supported dedicated funding for our 'āina for many years. We are writing in **strong support of SB1396, a measure that would invite visitors to contribute to climate resiliency, public safety, and economic opportunity through an increase to the Transient Accommodations Tax.** The Care for 'Āina Now Coalition mission is to enhance visitor stewardship, conserve our cultural and natural resources, and invest in our 'āina to keep our community safe.

As community members across Hawai'i, we've seen the consequences of underinvesting in natural resources over time. Fires, floods, brown water pollution, and coral bleaching are all symptoms of this underinvestment. An updated assessment published in December 2024 showed a \$560 million annual funding gap in our current stewardship investment. This growing gap creates vulnerabilities for community safety and economic opportunities, especially when natural disasters strike in our backyards. **Each investment in resilience, environmental health, and collaborative stewardship saves our state costs in the long term and protects the resources that underpin our economy.**

There is immense public support for this initiative. A January 2025 polling of visitors show that two-thirds of visitors support a \$50 annual fee, half of them say a fee would not deter them from visiting Hawai'i, and a quarter of them are more likely to visit Hawai'i with an enacted fee. This initiative will not impact our visitor sector negatively, it will enhance it.

We applaud the leadership of the Senate for including a selection committee with expertise to select resiliency projects. However, we recommend the inclusion of additional policy elements to strengthen the measure.

1. **Department of Land & Natural Resources:** We recommend this program fall under the purview of DLNR and work in partnership with other agencies, including the selection committee. Climate resiliency is interconnected with natural and cultural resource management, protection, restoration, and regeneration



and the expertise within DLNR and their community partners is instrumental in the effectiveness of selected projects.

2. **Granting mechanism:** A shared revenue distribution model for a visitor stewardship fee is imperative. The specific inclusion of a community grant program that dedicated at least 50% of annual revenue toward the groups working on the frontlines of mālama 'āina work in Hawai'i is essential. When it comes to this crucial work, we have leaders with lifelong expertise who have dedicated their careers to specific stewardship solutions. As the fund prioritizes projects, these partners can support DLNR in implementation. **We urge the committee to include a dedicated community grant program for project selected, and have included language from visitor stewardship fee measures below.**
 - The fund shall allocate grants to community groups and nonprofit organizations, by providing monies not exceeding fifty per cent of annual fee revenues pursuant to this section.

This coalition, which works on the frontlines of natural and cultural resource management across the State, applauds the legislature for considering diverse solutions to this complex problem, and urges you all as leaders to pass an environmental stewardship fee this session.

These community groups, organizations and businesses support funding for 'āina, resilience, restoration, protection, management, and stewardship solutions for the communities of Hawai'i

1. Agripelago
2. Blue Planet Foundation
3. Benioff Ocean Science Laboratory
4. Care About Climate
5. Citizens' Climate Lobby Hawai'i
6. Conservation Council for Hawai'i
7. Conservation International
8. Conservation Council of Hawai'i
9. Coral Reef Alliance
10. Council for Native Hawaiian Advancement
11. Delphi Cinema
12. Excurinsure
13. Everblue



14. Fish Pono–Save Our Reefs
15. Friends of Hanauma Bay
16. Full Circle Farm
17. FutureSwell
18. Good Food Movement
19. Hanalei Initiative
20. Hawai'i Alliance for Community-Based Economic Development (HACBED)
21. Hawai'i Alliance for Progressive Action (HAPA)
22. Hawai'i Environmental Change Agents
23. Hawai'i Green Growth
24. Hawai'i Impact Collaborative
25. Hawai'i Land Trust
26. Hawai'i Reef and Ocean Coalition
27. Hawai'i Wildlife Fund
28. Hawai'i Youth Climate Coalition
29. Kailua Beach Adventures
30. Kauai Climate Action Coalition
31. Kauai Farm Planning
32. Kanu Hawai'i
33. Kingdom Pathways
34. Kua'āina Ulu 'Auamo (KUA)
35. Kuleana Coral Restoration
36. Kupu
37. Limahuli Garden and Preserve
38. Leftover Love Co
39. Mālama Learning Center
40. Mālama Maunalua
41. Mālama Pupukea-Waimea
42. Maui Ocean Center
43. Maui Ocean Center Marine Institute
44. National Tropical Botanical Garden



45. Native Ecosystem Services
46. The Nature Conservancy
47. North Shore Community Land Trust
48. Papahānaumokuākea Marine Debris Project
49. Parley for the Oceans
50. Pono Hawai'i Initiative
51. Protea Zero Waste Store
52. Resources Legacy Fund
53. Reuse Hawai'i
54. Surfrider Foundation Hawai'i Chapters
55. Sustainable Coastlines Hawai'i
56. Travel2Change
57. Trust for Public Land
58. Waipā Foundation
59. Wai'oli Valley Taro Preserve
60. Wakeful State
61. Wastewater Alternatives & Innovations (WAI)
62. Wild Kids
63. Young Progressives Demanding Action
64. Zero Waste Hawai'i Island

Mahalo for your consideration to protect Hawai'i's natural resources.
Coalition for Care for 'Āina Now



To: To: The Honorable Chair Donovan Dela Cruz,
The Honorable Vice Chair Sharon Moriwaki
Members of the Senate Committee on Ways and Means

Re: **SB 1396 SD1 – Relating to Economic Development**

Position: **Strongly Support**

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

**Testimony in Support of SB1396 SD1
Senate Committee on Ways and Means
Position: Support**

Aloha Chair, Vice Chair, and Members of the Committee,

I am Dr. Douglas McCauley, the Director of the Benioff Ocean Science Laboratory, and I am submitting written testimony in **strong support of SB1396 SD1**, which would help dedicate funding toward Hawai'i's natural and cultural resources that sustain the safety of our people, place, and economy.

The climate crisis is affecting all places across our planet, but it is particularly poised to impact Hawai'i and the vibrant, unique ecosystems that embody the islands' spirit, drive the local economy, and provide livelihoods. The science behind our changing climate is clear, alongside the myriad impacts that can be expected. Coral reefs have been under threat from several major global bleaching events. These events driven by marine heatwaves are only expected to increase and could severely threaten – if not eliminate – Hawai'i's reef systems which are a significant driver of tourism. Storm frequency and intensity are also expected to increase, which could harm the islands' coastlines and coastal developments. Given the severity of these threats, a bold response is essential to meet this crisis.

This measure presents an opportunity to drive essential funds to help Hawai'i meet the coming challenges of climate change, preparing the community to be more resilient and adaptive. While this would likely result in minimal impact on tourism – with some travelers perhaps feeling more comfortable visiting Hawai'i by giving back to the islands – it will allow the state to make appropriate investments in infrastructure and resilience that have been underinvested in previous years. It's also key this effort includes a community grant program that engages local organizations, agencies, governments, and indigenous knowledge holders who are most able to understand and plan for the needs of the community and the land.

Thank you for the opportunity to testify, and I appreciate you considering this incredibly important bill.

Sincerely,
Douglas McCauley

A handwritten signature in black ink that reads "Douglas McCauley".

Director, Benioff Ocean Science Laboratory

Testimony of Sustainable Coastlines Hawai'i

2/26/2025

Bill: **SB1396 SD1**

Committee: WAM

Position: **Support with amendments**

Hearing Date: 2/27/25 10:30 AM

Aloha Chair Dela Cruz and Members of the Ways and Means Committee,

My name is Rafael Bergstrom, the Executive Director of Sustainable Coastlines Hawai'i (SCH), a local nonprofit with a mission to inspire communities to care for coastlines. SCH is in support of SB 1396 if amendments are included that focus the bill on environmental stewardship. We appreciate the opportunity to offer support for this program that escalates in need every year. Please read below for a more detailed look at who we are and why we support these efforts. While there are things that we love about SB1396 in its current form, we also offer upfront the need for a few **amendments**:

- We suggest that the **minimum for a fee to protect our natural environment and ensure support to adapt to climate risk start at a minimum of \$50** per visitor to the islands and be slated to go up over time.
- We believe that it makes far more sense to allocate an environmental stewardship fee to DLNR to build on their work (as opposed to DOD, whose mission is not aligned with the intent of this fee). In addition to DLNR we believe funds should also be directed to a community NGO **grant program** that is simple and gets funds to the organizations that tirelessly dedicate their energies to making sure Hawai'i is protected, restored, and enhanced.
- We encourage the committee to continue exploring the possibility of mechanisms of collection that will provide a dedicated fund that is not wrapped up in other revenue streams.
- An **educational component** (videos, signage, etc.) of these fees should be mandated by law in order to help visitors understand the positive momentum they are creating by supporting the work of DLNR and other 'āina based organizations. This will enhance the experience of everyone who comes to the islands.

The vision of SCH is a world of inspired people, clean beaches, and healthy coastlines. Visitor engagement and education, volunteerism, and restoration efforts are all core actions of how we achieve our mission. Over the past 14 years SCH has removed 750,000 lbs. of debris from our coastlines, united 50,000 volunteers, reached 55,000 students with presentations and immersive education, and waded through a destructive mess of plastic pollution. We are experts on plastic pollution, the consequences of inaction, and the solutions we have at our fingertips.

The impact of visitors to our islands can be seen everywhere. While it is of course necessary to acknowledge the economy that is created around this industry, it is equally, if not more important, to understand the negative externalities of that industry and be proactive in mitigating them. While inviting visitors to be better stewards of the islands should continue, it is

not enough. Our islands run huge deficits when it comes to funding both reactive and proactive conservation and sustainability efforts. The current levels of impact are not sustainable for a livable future in Hawai'i. We need more funding to expand this work, especially in an era where federal funding mechanisms that have been in place to protect our precious resources are being rapidly dismantled.

SCH believes that the fee structure should involve an equitable disbursement of funds that offers opportunity for those doing incredible work in Hawai'i to enhance their efforts. This means that the traditional grants system needs to be broken down and realigned with a reality that most nonprofits are overwhelmed by a lack of capacity while doing their important work. Additionally, the minimum fund amount allocated to each nonprofit should be in alignment with a full-time salary and benefits at a level that is connected to the cost of living in this State. No nonprofit employee doing the work to protect this incredible place against the effects of visitors should be paid less than it costs to truly live here. For these reasons, it is imperative that an environmental stewardship fund should generate enough through the fees to allow for meaningful work to be conducted by the organizations tasked with this kuleana.

Models of similar funds have been effective across the globe and have great opportunity to create local jobs in protecting our islands for the future. Hawai'i is an ecological wonder and has a responsibility to have one of its biggest workforces be in conservation. In doing so, we will become a leader and model for the world.

We will continue to do our part with hands-in-the-sand and hands-in-the-soil work while engaging residents and visitors in opportunities to learn while restoring. Ideally everyone goes home from one of our events feeling empowered to take both individual and community action to protect our future. Mahalo for taking time to consider this important bill.

With Aloha,

A handwritten signature in black ink, appearing to read 'Rafael Bergstrom', written in a cursive style.

Rafael Bergstrom
Executive Director
Sustainable Coastlines Hawai'i

Hawai'i Ocean Legislative Task Force



February 27, 2025

Hawai'i State Legislature
Senate Committee on Ways & Means

Re: Testimony in SUPPORT of SB1396 SD1, Relating to Economic Development

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

The Ocean Legislative Task Force, a coalition of over 100 individuals and organizations committed to protecting Hawai'i's marine ecosystems, supports SB1396 SD1, Relating to Economic Development. This bill establishes the Climate Mitigation and Resiliency Special Fund and the Economic Development and Revitalization Special Fund. Beginning January 1, 2026, it increases the Transient Accommodations Tax and allocates the additional revenue to the newly established funds.

Hawaii is facing a climate emergency, with rising temperatures, prolonged droughts, and increasingly destructive weather events threatening both its natural ecosystems and its residents. Without immediate and coordinated action, these climate impacts will continue to worsen, leading to severe consequences for public safety, infrastructure, and the economy. This bill provides a necessary framework for investing in climate mitigation and resiliency projects to safeguard the state's future.

Economic development in Hawaii is directly tied to its environment, particularly through tourism and community infrastructure. By establishing the Economic Development and Revitalization Special Fund, this bill ensures that growth and revitalization efforts are sustainable and resilient against climate change. Investing in these areas now will protect Hawaii's economy from climate-related disruptions and create long-term economic opportunities.

Funding these initiatives through an increase in the Transient Accommodations Tax is a strategic approach that places the responsibility on the tourism industry rather than burdening local residents. With Hawaii's tourism industry benefiting from the state's natural beauty, it is both logical and fair to allocate a portion of tourism revenue toward protecting and preserving the very resources that attract visitors. This bill is a necessary step to ensure Hawaii remains a thriving, resilient, and economically stable state for future generations.

Mahalo for the opportunity to testify in support of this important measure.

The Ocean Legislative Task Force advocates for measures that promote funding for natural resource protection and restoration, ocean resources, coral reefs, subsistence fishing, and coastal resilience, and other priorities.



RESOURCES LEGACY FUND®
CREATIVE SOLUTIONS. LASTING RESULTS.

LATE

DATE: February 27, 2025

Re: Support for SB1396 SD1, Relating to Economic Development

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

On behalf of Resources Legacy Fund, I am writing to express our support for SB1396 HD1 Relating to Economic Development. This bill establishes special funds for climate mitigation and economic revitalization in Hawaii, increases the transient accommodations tax to support these initiatives, and allocates funding for resiliency projects.

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.

This funding will 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.

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, HB504 HD1 helps 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.



February 26, 2025

LATE

The Honorable Senator Donovan Dela Cruz
Chair, The Hawaii State Senate Committee on Ways and Means

The Honorable Senator Sharon Moriwaki
Vice Chair, The Hawaii State Senate Committee on Ways and Means

Honorable Members of The Hawaii State Senate Committee on Ways and Means

Subject: Opposition to SB1396 SD1

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Senate Committee on Ways and Means,

Thank you for the opportunity to provide our joint testimony on behalf of the Hawaii Hotel Alliance (HHA) and the American Hotel & Lodging Association (AHLA) regarding SB1396 SD1. We respectfully express our sincere concerns regarding the proposed increase in the Transient Accommodations Tax (TAT).

Hawaii's hotel and lodging community recognizes the importance of contributing to the state's revenue. Our members diligently collect and remit the TAT and General Excise Tax (GET) due to the state and counties. However, we are deeply concerned that an additional tax burden would severely impact our industry's competitiveness and long-term sustainability.

Hawaii already holds the distinction of having the highest tourism tax in the world, as recently highlighted in the January 25, 2025, article "What to Know About the Proposed Tourist Fee in Hawaii" published by *Travel + Leisure* (<https://www.travelandleisure.com/honolulu-hawaii-highest-tourism-tax-in-the-world-8763376>).

This fact resonates with potential visitors and meeting planners, who are increasingly considering alternative destinations with more favorable tax structures and competitive pricing, like Florida, Bali, Mexico, and the Caribbean.

Our hotels compete against global markets that offer similar destination experiences at a fraction of the cost. We are particularly concerned about the impact on key markets like Japan. DBEDT data indicates that Japanese visitor arrivals remain significantly below 2019 levels, with feedback consistently citing Hawaii's high cost as a deterrent. We believe further increasing costs will impede our ability to attract and retain these valuable visitors.

While hotel room rates have adjusted to reflect the rising costs of property taxes, wages, and general inflation, our profit margins are being squeezed. Our members are committed to providing competitive wages, contributing as major taxpayers, and investing in our communities. However, the proposed TAT increase within SB1396 SD1 would further strain our operations and hinder our ability to grow and contribute to Hawaii's economy.

We also believe there is a significant opportunity to improve tax equity and enforcement. As evidenced by recent discussions with the City and County of Honolulu, there is a substantial gap between the number of known legal short-term vacation rentals and the estimated number of units operating throughout the state. This discrepancy suggests that the state and counties are missing out on substantial revenue. We urge the legislature to prioritize the fair and equitable collection of TAT and GET from all accommodation types before considering any tax increases.

The argument that TAT increases do not influence visitor behavior is not supported by our experience, especially in the conventions, meetings, and incentives market. Meeting planners are acutely aware of costs, and any increase that compromises Hawaii's competitiveness will lead to lost business.

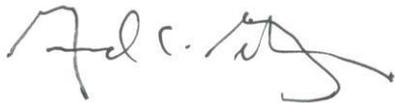
Moreover, our industry is facing significant challenges in 2025. As reported by the *Star Advertiser*, hotel performance declined across the islands in 2024 (<https://www.staradvertiser.com/2025/02/18/hawaii-news/sle-hotels-performance-lost-ground-during-2024/>). Additionally, fluctuating federal policies are impacting group bookings, which are essential for maintaining employment.

We understand the state's need for revenue. However, we believe that increasing the TAT at this time, as proposed in SB1396 SD1, would be detrimental to Hawaii's tourism industry and overall economy. We respectfully urge the Hawaii State Legislature to prioritize the full and equitable collection of existing taxes and defer any increases to the TAT.

The Honorable Senator Donovan Dela Cruz
Chair, The Hawaii State Senate Committee on Ways and Means
Page 3

Thank you for your consideration of our comments on SB1396 SD1.

Mahalo,



Hawaii Hotel Alliance (HHA)
Gerard C. Gibson President



American Hotel & Lodging Association (AHLA)
Kekoa McClellan, Spokesperson AHLA Hawaii

Hawaii Hotel Alliance Board Members:

Jeff Wagoner, Secretary, HHA, President & CEO Outrigger Hospitality Group
Debi Bishop, Treasurer, HHA, Managing Director, Hilton Hawaiian Village Waikiki Beach Resort
Craig Anderson, VP of Operations, Mauna Kea Beach Hotel
Tom Calame, Marriott International
Elliott Mills, VP Hotel Operations, Disneyland Resort and Aulani
Ben Rafter, President & CEO, Springboard Hospitality
Linda Rodrigues, SVP of Marketing, Hilton Grand Vacations
Kelly Sanders, Group President, Highgate



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 211
Thursday, February 27, 2025 AT 10:30 A.M.

LATE

To The Honorable Senator Donovan M. Dela Cruz, Chair
The Honorable Senator Sharon Y. Moriwaki, Vice Chair
Members of the committee on Ways and Means

OPPOSE SB1396 SD1 RELATING TO ECONOMIC DEVELOPMENT

The Maui Chamber of Commerce **OPPOSES SB1396 SD1** which establishes the Climate Mitigation and Resiliency Special Fund and the Economic Development and Revitalization Special Fund and beginning January 1, 2026, increases the Transient Accommodations Tax.

Hawai'i already has a reputation for having the highest visitor taxes of any destination in the world. In addition to taxes on visitor accommodations, visitors are also subject to the general excise tax (GET), rental car fees and taxes on our roads, parking fees at state parks, and other taxes and fees assessed to activity-based businesses, all of which are passed down to the consumer.

While we appreciate the focus on economic development, we are deeply concerned about the impact this proposed increase will have on our visitor industry. Maui's visitor counts and spending remain low, and businesses are struggling. This proposed increase could further hinder our economic recovery, which is still below pre-pandemic levels and was severely impacted by the wildfires in August 2023.

For these reasons, we **OPPOSE SB1396 SD1**.

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.

LATE



SENATE COMMITTEE ON WAYS AND MEANS

FEBRUARY 27, 2025

SB 1396, SD1, RELATING TO ECONOMIC DEVELOPMENT

POSITION: SUPPORT

Coalition Earth **supports** SB 1396, SD1, relating to economic development, which establishes the Climate Mitigation and Resiliency Special Fund to be administered by the Department of Defense to advance projects addressing climate change impacts; requires the DOD to convene a selection committee to review and recommend projects for Climate Mitigation and Resiliency Special Fund allocation; requires the Adjutant General to adopt rules; establishes the Economic Development and Revitalization Special Fund to be administered by the Department of Business, Economic Development, and Tourism for projects advancing economic development or revitalization; infrastructure within tourism districts or resort areas; climate change mitigation, adaptation, or resiliency; and tourism marketing; requires DBEDT to establish procedures for receiving and evaluating project proposals for Economic Development and Revitalization Special Fund allocation; requires DBEDT to submit annual reports to the Legislature; and beginning 1/1/2026, increases the Transient Accommodation Tax and allocates a portion thereof to the Climate Mitigation and Resiliency Special Fund.

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.



LATE

February 26, 2025

The Honorable Senator Donovan Dela Cruz
Chair, The Hawaii State Senate Committee on Ways and Means

The Honorable Senator Sharon Moriwaki
Vice Chair, The Hawaii State Senate Committee on Ways and Means

Honorable Members of The Hawaii State Senate Committee on Ways and Means

Subject: Opposition to SB1396 SD1

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Senate Committee on Ways and Means,

Thank you for the opportunity to provide our joint testimony on behalf of the Hawaii Hotel Alliance (HHA) and the American Hotel & Lodging Association (AHLA) regarding SB1396 SD1. We respectfully express our sincere concerns regarding the proposed increase in the Transient Accommodations Tax (TAT).

Hawaii's hotel and lodging community recognizes the importance of contributing to the state's revenue. Our members diligently collect and remit the TAT and General Excise Tax (GET) due to the state and counties. However, we are deeply concerned that an additional tax burden would severely impact our industry's competitiveness and long-term sustainability.

Hawaii already holds the distinction of having the highest tourism tax in the world, as recently highlighted in the January 25, 2025, article "What to Know About the Proposed Tourist Fee in Hawaii" published by *Travel + Leisure* (<https://www.travelandleisure.com/honolulu-hawaii-highest-tourism-tax-in-the-world-8763376>)

The Honorable Senator Donovan Dela Cruz
Chair, The Hawaii State Senate Committee on Ways and Means
Page 2

This fact resonates with potential visitors and meeting planners, who are increasingly considering alternative destinations with more favorable tax structures and competitive pricing, like Florida, Bali, Mexico, and the Caribbean.

Our hotels compete against global markets that offer similar destination experiences at a fraction of the cost. We are particularly concerned about the impact on key markets like Japan. DBEDT data indicates that Japanese visitor arrivals remain significantly below 2019 levels, with feedback consistently citing Hawaii's high cost as a deterrent. We believe further increasing costs will impede our ability to attract and retain these valuable visitors.

While hotel room rates have adjusted to reflect the rising costs of property taxes, wages, and general inflation, our profit margins are being squeezed. Our members are committed to providing competitive wages, contributing as major taxpayers, and investing in our communities. However, the proposed TAT increase within SB1396 SD1 would further strain our operations and hinder our ability to grow and contribute to Hawaii's economy.

We also believe there is a significant opportunity to improve tax equity and enforcement. As evidenced by recent discussions with the City and County of Honolulu, there is a substantial gap between the number of known legal short-term vacation rentals and the estimated number of units operating throughout the state. This discrepancy suggests that the state and counties are missing out on substantial revenue. We urge the legislature to prioritize the fair and equitable collection of TAT and GET from all accommodation types before considering any tax increases.

The argument that TAT increases do not influence visitor behavior is not supported by our experience, especially in the conventions, meetings, and incentives market. Meeting planners are acutely aware of costs, and any increase that compromises Hawaii's competitiveness will lead to lost business.

Moreover, our industry is facing significant challenges in 2025. As reported by the *Star Advertiser*, hotel performance declined across the islands in 2024 (<https://www.staradvertiser.com/2025/02/18/hawaii-news/sle-hotels-performance-lost-ground-during-2024/>). Additionally, fluctuating federal policies are impacting group bookings, which are essential for maintaining employment.

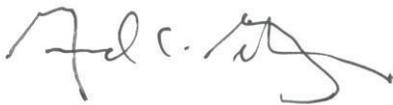
We understand the state's need for revenue. However, we believe that increasing the TAT at this time, as proposed in SB1396 SD1, would be detrimental to Hawaii's tourism industry and overall

economy. We respectfully urge the Hawaii State Legislature to prioritize the full and equitable collection of existing taxes and defer any increases to the TAT.

The Honorable Senator Donovan Dela Cruz
Chair, The Hawaii State Senate Committee on Ways and Means
Page 3

Thank you for your consideration of our comments on SB1396 SD1.

Mahalo,



Hawaii Hotel Alliance (HHA)
Gerard C. Gibson President



American Hotel & Lodging Association (AHLA)
Kekoa McClellan, Spokesperson AHLA Hawaii

Hawaii Hotel Alliance Board Members:

Jeff Wagoner, Secretary, HHA, President & CEO Outrigger Hospitality Group
Debi Bishop, Treasurer, HHA, Managing Director, Hilton Hawaiian Village Waikiki Beach Resort
Craig Anderson, VP of Operations, Mauna Kea Beach Hotel
Tom Calame, Marriott International
Elliott Mills, VP Hotel Operations, Disneyland Resort and Aulani
Ben Rafter, President & CEO, Springboard Hospitality
Linda Rodrigues, SVP of Marketing, Hilton Grand Vacations
Kelly Sanders, Group President, Highgate

SB-1396-SD-1

Submitted on: 2/25/2025 7:14:42 PM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Alfred Grace	Testifying for Polynesian Cultural Center	Oppose	Written Testimony Only

Comments:

While addressing climate concerns is commendable, I am opposed to placing a heavier burden on visitors by increasing the TAT. The Hawaii TAT is already the highest or one of the highest in our nation. Visitors forced to pay this TAT will likely reduce spending elsewhere rather than increase their overall Per Person Per Trip spending which was the case for 2023 and 2024 for domestic visitors, even though prices increased across the board. Essentials such as hotels, transportation and food all increased. This means non-essentials such as attractions, activities and even restaurants are getting a smaller piece of visitor expenditures. Increasing the TAT will only exasperate this problem even more. Mahalo

SB-1396-SD-1

Submitted on: 2/24/2025 3:33:15 PM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
helen raine	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Members of the Committee,

I am submitting written testimony in **strong support** of SB1396 SD1, which would ensure dedicated funding for **Hawai‘i’s natural and cultural resources**, safeguarding the well-being of our people, environment, and economy.

Hawai‘i is facing the severe consequences of chronic underinvestment in our environment. We are witnessing **coral bleaching, wildfires, flooding, and brown water pollution**—all of which endanger the places we cherish and the industries that sustain our economy. Worse yet, **the cost of inaction is far greater** than the cost of proactive investment. Reacting to climate disasters drains our financial resources, while **funding community-driven, preventative initiatives** can build resilience, mitigate damage, and save the state millions annually. Research indicates that **at least \$560 million per year** is needed to effectively protect and restore Hawai‘i’s natural and cultural resources. Enacting this legislation would help secure that funding, create jobs, and **strengthen the long-term sustainability of our local economy.**

Caring for Hawai‘i is a **shared responsibility** that requires collaboration across sectors and knowledge systems. It is essential that this measure includes a **revenue-sharing component** to support community organizations actively engaged in resilience, adaptation, and stewardship efforts. A **community grant program** would empower local experts, organizations, and Indigenous knowledge holders to implement solutions tailored to Hawai‘i’s unique needs. I strongly encourage lawmakers to ensure that funding is **equitably distributed** to those on the ground who are already leading these efforts.

The demand for this initiative is undeniable. Public support has remained strong for years—**88% of Hawai‘i residents** back a visitor green fee. Additionally, a January 2025 poll found that **two-thirds of visitors** support a **\$50 visitor fee**, and **one-quarter said they would be more likely to visit** if such a program were in place. This data makes it clear: **both residents and visitors understand that giving back to the land is not just reasonable—it is essential.**

Hawai‘i cannot afford further delays. We have seen firsthand the devastation caused by wildfires, flooding, and environmental degradation. **The time to act is now.** SB1396 SD1 is a crucial step toward a future where our islands are protected, nurtured, and resilient—for our communities, our economy, and generations to come. Lawmakers must listen to the voices of the people and take decisive action to safeguard our home.

Mahalo for the opportunity to provide testimony.

**Testimony in Support of SB1396 SD1
Senate Committee on Ways and Means
Position: Support**

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Sally Chew and I am submitting written testimony in strong support of SB1396 SD1, which would help dedicate funding toward Hawai'i's natural and cultural resources that sustain the safety of our people, place, and economy. **I live on O'ahu and work in the Wai'anae mountains (WMWP). I work towards creating fuel breaks to prevent fires from spreading further up to native forests on our mountain tops such as Ka'ala. This bill is critical to enhancing management practices like this to continue to protect the watershed, native forests, and ultimately the people residing here.**

The people of Hawai'i are currently grappling with the consequences of underinvesting in our 'āina. We see coral bleaching, fires, floods, and brown water pollution harming the places we love and the places that sustain our visitor industry and economic livelihoods. What's worse is that this consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks occur. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai'i. Enacting legislation could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

The protection, management, restoration, and stewardship of Hawai'i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. I encourage a revenue-sharing component with community organizations that work on the frontlines of resilience, adaptation, and stewardship. Through a community grant program, this measure will empower experts across Hawai'i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai'i. **I work with a WMWP that works in partnership with DLNR-NARS, which are lands that are 90%+ native sections of forests. The majority of our work at WMWP goes into sites that are completely 0% native forests. We work to clear areas and reintroduce native species to create a fuel break. This work is EXTREMELY NECESSARY to protect the NARS area from further encroachment of invasive species.**

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. *The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee.* Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary.

We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,
Sally Chew

SB-1396-SD-1

Submitted on: 2/24/2025 6:13:17 PM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Tiffany Ing	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of SB1396 SD1 Senate Committee on Ways and Means

Position: Support

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Tiffany Ing and I am submitting written testimony in strong support of SB1396 SD1, which would help dedicate funding toward Hawai‘i’s natural and cultural resources that sustain the safety of our people, place, and economy.

I am from Manoa, O‘ahu and have seen the change to my home and all of Hawai‘i. The destruction from uka to kai has been incredibly devastating. The people of Hawai‘i are currently grappling with the consequences of underinvesting in our ‘āina. We see coral bleaching, fires, floods, and brown water pollution harming the places we love and the places that sustain our visitor industry and economic livelihoods. What’s worse is that this consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks occur. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai‘i. Enacting legislation could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods. The protection, management, restoration, and stewardship of Hawai‘i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. I encourage a revenue-sharing component with community organizations that work on the frontlines of resilience, adaptation, and stewardship. Through a community grant program, this measure will empower experts across Hawai‘i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai‘i. I am a kumu at Halau Ku Mana New Century Public Charter School located in Makiki valley. During my time here, I have worked with numerous non-profits that preserve Hawai‘i’s natural resources from uka to kai.

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a

fee. The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee. Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary. We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,

Tiffany Ing

SB-1396-SD-1

Submitted on: 2/24/2025 6:28:19 PM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Makayla Holt	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Members of the Committee,
My name is Makayla Holt and I am submitting written testimony in strong support of SB1396 SD1, which would help dedicate funding toward Hawai'i's natural and cultural resources that sustain the safety of our people, place, and economy. Funding for our 'āina is important to me because if our land gets enough money spent on it to be taken care of then it will thrive. The people of Hawai'i are currently grappling with the consequences of underinvesting in our 'āina. We see coral bleaching, fires, floods, and brown water pollution harming the places we love and the places that sustain our visitor industry and economic livelihoods. What's worse is that this consistent underinvestment is costing our state tremendous financial resources when disasters strike, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks occur. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai'i. Enacting legislation could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods. The protection, management, restoration, and stewardship of Hawai'i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. I encourage a revenue-sharing component with community organizations that work on the frontlines of resilience, adaptation, and stewardship. Through a community grant program, this measure will empower experts across Hawai'i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai'i.

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee. Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary. We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action. Mahalo for the opportunity to testify,

Makayla Holt

SB-1396-SD-1

Submitted on: 2/24/2025 7:25:45 PM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Sam Dorios	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Sam Dorios and I am submitting written testimony in strong support of SB1396 SD1, which would help dedicate funding toward Hawai'i's natural and cultural resources that sustain the safety of our people, place, and economy.

Hawai'i's economy is deeply reliant on tourism, and tourists primarily come to Hawai'i in order to enjoy our spectacular natural environment. We therefore have an economic imperative to protect our 'āina from degradation and decline. It's that simple.

The people of Hawai'i are currently grappling with the consequences of underinvesting in our 'āina. We see coral bleaching, fires, floods, and brown water pollution harming the places we love and the places that sustain our visitor industry and economic livelihoods. What's worse is that this consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks occur. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai'i. Enacting legislation could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

The protection, management, restoration, and stewardship of Hawai'i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. I encourage a revenue-sharing component with community organizations that work on the frontlines of resilience, adaptation, and stewardship. Through a community grant program, this measure will empower experts across Hawai'i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. **I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and**

Indigenous knowledge holders to meet the unique needs of Hawai'i. This will help ensure the on the ground work is done, as well as bolster our workforce with much needed jobs for locals.

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. *The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee.* Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary.

We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,

- Sam Dorios

SB-1396-SD-1

Submitted on: 2/24/2025 7:33:44 PM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Keili McEvelly	Individual	Support	Written Testimony Only

Comments:

Aloha mai kakou,

I support this bill, please stand behind the kanaka maoli and hawaiian community to support this bill and protect our aina!

Mahalo for your time and consideration,

Ke'ili McEvelly

SB-1396-SD-1

Submitted on: 2/24/2025 8:08:08 PM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
KEALA FUNG	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Keala Fung and I am submitting written testimony in strong support of SB1396 SD1, which would help dedicate funding toward Hawai‘i’s natural and cultural resources that sustain the safety of our people, place, and economy.

I live on Oahu and i fish for my food, and gather plants and medicine and food up in our forests and oceans. Therefore, Prioritizing our land and the health of our lands is of utmost importance to me.

The people of Hawai‘i are currently grappling with the consequences of underinvesting in our ‘āina. We see coral bleaching, fires, floods, and brown water pollution harming the places we love and the places that sustain our visitor industry and economic livelihoods. What’s worse is that this consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks occur. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai‘i. Enacting legislation could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

The protection, management, restoration, and stewardship of Hawai‘i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. I encourage a revenue-sharing component with community organizations that work on the frontlines of resilience, adaptation, and stewardship. Through a community grant program, this measure will empower experts across Hawai‘i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai‘i. I am involved with so many different land steward organizations here as well as cultural practitioners, and it is crucial that we are well funded. Furthermore, culturally connected native Hawaiians should be at the forefront in leading and directing how we all care for our islands.

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee. Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary.

We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,

Keala Fung, Honolulu

SB-1396-SD-1

Submitted on: 2/24/2025 8:18:43 PM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jacqueline Brebeck	Individual	Support	Written Testimony Only

Comments:

Island ecosystems and people are among the most vulnerable to climate change. We must both take the potential impacts of climate change into consideration and design for a sustainable future, and do our best to mitigate as many of these impacts as possible. The fund would support this effort and provide dedicated resources - I am fully in support of this legislation and think it is critical to being prepared for the coming impacts.

SB-1396-SD-1

Submitted on: 2/24/2025 9:30:33 PM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Kaimipono	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of SB1396 SD1

Senate Committee on Ways and Means

Position: Support

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Ka'imipono Inofinada and I am submitting written testimony in strong support of SB1396 SD1, which would help dedicate funding toward Hawai'i's natural and cultural resources that sustain the safety of our people, place, and economy. As a Native Hawaiian who was born and raised in Kalihi, O'ahu, growing up in a multigenerational home in a neighborhood with multiple ethnicities, I was exposed to many different struggles and hardships that our people continue to undergo in order to continue living in Hawai'i. Drug abuse, financial hardship, land loss, homelessness, and many more I see everyday as I feel helpless seeing many of Kānaka Maoli and Pacific Islanders facing. It is because of this that I would like to see this bill passed and I fully support its intentions. I feel that it is of great importance for lawmakers and legislators to carefully consider this bill to the fullest and think of the natives of these lands. I will soon graduate from Hālau Kū Māna Public Charter School in May of 2025. Is this the Hawai'i that I would like to raise my children in? Can I even have children in such an environment where I fear not knowing whether I could pay the bills for the next month or two?

The people of Hawai'i are currently grappling with the consequences of underinvesting in our 'āina. We see coral bleaching, fires, floods, and brown water pollution harming the places we love and the places that sustain our visitor industry and economic livelihoods. What's worse is that this consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks occur. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai'i. Enacting legislation could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

The protection, management, restoration, and stewardship of Hawai'i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. I encourage a revenue-sharing component with community organizations that work on the frontlines of resilience, adaptation, and stewardship. Through a community grant program, this measure will empower experts across Hawai'i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai'i. As a senior from Hālau Kū Māna, we had many opportunities to be able to work with many community organizations and partners and help them work towards complete restoration of their wahi pana. Within my high school career, I have found various and countless connections within the community and am grateful that I could call them my second or third family. Some of which are Paepae o He'eia, Kānehūnāmoku Voyaging Academy, Lāhaina Strong, and many more. Being able to work hand and hand as well as share the same hardships and such are invaluable to me and only deepens my understanding and appreciation to the many unsung heroes and workers who continuously work towards a better future for all of Hawai'i Nei.

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee. Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary.

We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,

Ka'imipono Inofinada

SB-1396-SD-1

Submitted on: 2/24/2025 10:03:45 PM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jennifer Navarra	Individual	Support	Written Testimony Only

Comments:

I am submitting testimony in strong support of SB1396 SD1. I see firsthand how underfunding our ‘āina leads to devastating consequences—coral bleaching, fires, floods, and pollution that harm both our communities and economy.

Investing in Hawai‘i’s natural and cultural resources is not just about protection; it’s about prevention. Every dollar spent on resilience today saves millions in disaster recovery tomorrow. We need dedicated funding to support frontline community organizations that steward our lands and waters. A community grant program would ensure resources go directly to those leading this work, including Indigenous practitioners whose knowledge is essential to our future.

Polls show that residents and visitors alike support a visitor green fee. The time to act is now—before another disaster strikes. I urge you to pass this bill and make protecting Hawai‘i a priority.

Mahalo for your time and leadership.

SB-1396-SD-1

Submitted on: 2/25/2025 4:39:41 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Alex Filardo	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Alex Filardo and I am submitting written testimony in strong support of SB1396 SD1, which would help dedicate funding toward Hawai‘i’s natural and cultural resources that sustain the safety of our people, place, and economy. I have lived on Maui and O‘ahu and have seen first hand the type of abuse our ‘āina has taken. Trails get degraded, beaches erode, and parks do not get the proper care they need. While these are popular recreational areas, they also help mitigate effects of the climate crisis such as sea level rise, increased risk of fires, and flooding. We must fund ‘āina work in order to protect our island and protect our people.

The people of Hawai‘i are currently grappling with the consequences of underinvesting in our ‘āina. We see coral bleaching, fires, floods, and brown water pollution harming the places we love and the places that sustain our visitor industry and economic livelihoods. What’s worse is that this consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks occur. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai‘i. Enacting legislation could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

The protection, management, restoration, and stewardship of Hawai‘i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. I encourage a revenue-sharing component with community organizations that work on the frontlines of resilience, adaptation, and stewardship. Through a community grant program, this measure will empower experts across Hawai‘i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai‘i.

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee. Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary.

We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,

Alex Filardo

SB-1396-SD-1

Submitted on: 2/25/2025 4:52:39 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Miles Johnson	Individual	Support	Written Testimony Only

Comments:

I am writing in strong support of SB1396 SD1, a crucial measure that will bolster Hawaii’s resilience to climate change while fostering sustainable economic development. This bill represents a forward-thinking investment in our state’s future, ensuring that we not only address the urgent threats posed by climate change but also lay the foundation for long-term economic stability.

Climate Change is a Present Threat

Hawaii is already experiencing the devastating effects of climate change—rising sea levels, intensifying storms, and increasing temperatures threaten our communities, ecosystems, and way of life. By establishing the Climate Mitigation and Resiliency Special Fund, this bill ensures that we take proactive steps to protect our state. Funding projects that enhance climate resilience will help safeguard infrastructure, natural resources, and the well-being of our residents.

A Stronger, More Resilient Economy

In addition to addressing climate concerns, SB1396 SD1 creates the Economic Development and Revitalization Special Fund, which will support projects aimed at strengthening Hawaii’s economy. As we continue to recover from the economic downturn caused by the pandemic and global uncertainties, this initiative will provide much-needed investment in local industries, job creation, and community development. By leveraging funds from the transient accommodations tax, we are ensuring that visitors contribute to the preservation and growth of our islands.

Strategic Investment for a Sustainable Future

This bill strikes the right balance between environmental responsibility and economic progress. By prioritizing climate resilience and economic revitalization, we are not only protecting what makes Hawaii special but also positioning ourselves as a leader in sustainability and innovation. Furthermore, the involvement of the Department of Defense in funding climate resilience

projects highlights the national significance of this issue and underscores the need for a coordinated approach.

For these reasons, I strongly urge the committee to pass SB1396 SD1. This legislation is a bold step toward a more resilient and prosperous Hawaii, and its impact will be felt for generations to come.

Mahalo for the opportunity to testify.

Sincerely,

Miles Johnson

Testimony in Support of SB1396 SD1
Senate Committee on Ways and Means
Position: Support

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Jack Kittinger, and I am submitting written personal testimony in strong support of SB1396 SD1, which would help dedicate funding toward Hawai'i's natural and cultural resources that sustain the safety of our people, place, and economy. I have worked for years to establish and support the Care for 'Āina Now (CAN) initiative focused on increasing funding to support our environment and natural resources, which are our best defense against climate-driven tragedies like the Lāhainā wildfire.

The people of Hawai'i are currently grappling with the consequences of underinvesting in our natural resources and the protection they give our communities and economy. The science is clear: we are experiencing increased fires, floods, droughts and other climate-driven threats that harm the places we love, which also sustain our visitor industry. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai'i. It is logical to ask visitors to help contribute to caring for the environment they enjoy during their stay, and SB1396 SD1 offers an existing program to do so.

The protection, management, restoration, and stewardship of Hawai'i's natural resources is an essential piece toward gaining resilience as an island to climate disasters. Healthier watersheds are less likely to flood, restored coral reefs protect our shorelines from storms, and removal of invasive plants protect us from wildfires. Enacting this legislation will help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

When it comes to this important work, nonprofit organizations and community groups are on the frontlines, and are leading the way in stewardship. It's important that any funding generated from visitors is distributed to solutions that are community based and facilitate partnerships between community and agencies. **I therefore recommend the inclusion of a community grant program as an addition to this bill, to work in partnership with the State to fulfill our stewardship needs.** For example, in my own backyard, Mālama Maunaloa is doing important work to restore watersheds, reduce invasive species, and increase coral reef health – this work compliments the efforts of DLNR.

There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. *The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee.* Visitors and residents agree: giving back to the places you visit is more than acceptable, it is necessary.

This is the year elected leaders must act to keep our communities safe. We have watched the consequences of underinvestment in our 'āina, and we cannot wait another fire, flood, or bleaching season without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations.

I urge this committee to pass SB1396 SD1 this session.

Mahalo nui for your courage and leadership, and for the opportunity to testify.

Jack Kittinger, PhD

SB-1396-SD-1

Submitted on: 2/25/2025 7:46:25 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
joseph simpliciano	Individual	Support	Written Testimony Only

Comments:

As we can see the ocean stewardship under DAR works, we need to generate revenue in order to care for our natural resources that is always overran by non residents of hawaii and tourist. Trails needs to be improved, cared for and made safe. We don't need non-profits taking care of public beaches and parks we need the departments to take care of our public places which remains open and free to the residents of Hawai'i and most of all not be charged for parking.

SB-1396-SD-1

Submitted on: 2/25/2025 7:52:26 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ashley Lukens	Individual	Support	Written Testimony Only

Comments:

The people of Hawai‘i are currently grappling with the consequences of underinvesting in our ‘āina. We see coral bleaching, fires, floods, and brown water pollution harming the places we love and the places that sustain our visitor industry and economic livelihoods. What’s worse is that this consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks occur. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai‘i. Enacting legislation could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

SB-1396-SD-1

Submitted on: 2/25/2025 8:50:55 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Tiffany kekumu	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Tiffany Kekumu and I am submitting written testimony in strong support of SB1396 SD1, which would help

dedicate funding toward Hawai'i's natural and cultural resources that sustain the safety of our people, place, and

economy. I'm Tiffany Kekumu from Oahu. I think this is a good idea since majority of cars on the road are tourist and this is a way they can contribute to helping keep Hawaii maintained, which in turn gives them a good time here as well.

The people of Hawai'i are currently grappling with the consequences of underinvesting in our 'āina. We see coral

bleaching, fires, floods, and brown water pollution harming the places we love and the places that sustain our

visitor industry and economic livelihoods. What's worse is that this consistent underinvestment is costing our state

tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing

community-driven projects that build resilience and prevent damage when climate shocks occur. It estimated we

need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai'i. Enacting

legislation could help fund this preventative work that can save our state millions of dollars each year, create jobs,

and sustain our economic livelihoods.

The protection, management, restoration, and stewardship of Hawai'i is a shared kuleana and requires meaningful

collaboration across sectors and knowledge systems. I encourage a revenue-sharing component with community

organizations that work on the frontlines of resilience, adaptation, and stewardship. Through a community grant

program, this measure will empower experts across Hawai'i to work together to implement effective resilience

solutions and equitably allocate resources to leaders in the field. I support the inclusion of a community grant

program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge

holders to meet the unique needs of Hawai'i.

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this

initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In

January 2025, visitors were polled on their attitudes to a fee. The results show that two-thirds of visitors support a

\$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee. Visitors and residents

agree: giving back to the places you visit is more than acceptable, it's necessary.

We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a

future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I

am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive

visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,

SB-1396-SD-1

Submitted on: 2/25/2025 11:40:13 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Mark Haver	Individual	Support	Written Testimony Only

Comments:

I used to live on O'ahu in Waikiki six years ago. Now, I come back to Hawai'i as a visitor. For the last two and half years, I have been traveling around the world as a digital nomad. In my experience, it's been commonplace for cities and parks of particular cultural/natural significance to have a fee for visitors so that the revenue can support the management of the place. Hawai'i is of both tremendous cultural and natural significance. There is no other place like Hawai'i in the world! When getting to know Hawai'i, you become even more aware of just how special Hawai'i is! Anyone who visits Hawai'i can appreciate its natural beauty, and I think we all agree that this should be protected. I, as a visitor, would be more than happy to pay a small fee to support the protection and management of what makes Hawai'i so special.

SB-1396-SD-1

Submitted on: 2/25/2025 11:41:23 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Aaron Magee	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Aaron Magee and I am submitting written testimony in strong support of SB1396 SD1, which would help dedicate funding toward Hawai‘i’s natural and cultural resources that sustain the safety of our people, place, and economy. Born and raised on the southeast side of Oahu I grew up snorkeling, hiking, and going to the beach. Seeing my favorite beaches and parks grow in popularity with minimal increase in preservation efforts has lead to the consistent decline of their beauty. We must imlement a solution to maintain and improve the areas that make Hawaii beautiful, both for residents and to continue offering beautiful destinations for people from around the world to connect with Hawaii's environment.

The people of Hawai‘i are currently grappling with the consequences of underinvesting in our ‘āina. We see coral bleaching, fires, floods, and brown water pollution harming the places we love and the places that sustain our visitor industry and economic livelihoods. What’s worse is that this consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks occur. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai‘i. Enacting legislation could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

The protection, management, restoration, and stewardship of Hawai‘i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. I encourage a revenue-sharing component with community organizations that work on the frontlines of resilience, adaptation, and stewardship. Through a community grant program, this measure will empower experts across Hawai‘i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai‘i. I serve as the Executive Director of Global Preservation Initiative (GPI), a local nonprofit preserving shared human and environmetal health, a mission born out of the visible presence of plastic pollution and decline in ecosystem health. Our work supports the delivery of high quality environmental education and volunteer restoration events to thousands of students and community volunteers every year. Organizations like GPI and others that work daily to connect hawaii's residents to nature, need support the work that builds community across our islands.

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee. Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary.

We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,

Aaron Magee

SB-1396-SD-1

Submitted on: 2/25/2025 12:18:47 PM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Marissa Blake	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Members of the Committee,

My name is Marissa, and I am a resident of Oahu. I am writing to express my strong support for SB 1396 SD1.

Hawaii's unique environment and economy are deeply interconnected. As a resident, I have witnessed firsthand the impacts of climate change on our natural resources and the necessity for sustainable economic development. By allocating increased TAT revenues to these special funds, SB 1396 SD1 provides a proactive approach to:

- **Climate Mitigation and Resiliency:** Ensuring dedicated resources are available for projects that combat climate change and enhance the resilience of our communities against environmental threats.
- **Economic Development and Revitalization:** Supporting initiatives that stimulate economic growth, create jobs, and promote diversification, which are essential for the long-term prosperity of our state.

I believe that investing in these areas is crucial for preserving Hawaii's natural beauty and ensuring a vibrant economy for future generations. I respectfully urge the committee to pass SB 1396 SD1.

Mahalo for your time and consideration.

Marissa

SB-1396-SD-1

Submitted on: 2/25/2025 12:59:39 PM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Josh Stanbro	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz and members of the Committee on Ways and Means,

I am in strong support of SB1396 SD1 and urge the Committee to pass this measure. With a new Administration in Washington DC slashing federal funding for climate resilience programs, now more than ever local and state government must step up to provide funding that will protect property and life against current and future climate impacts. Multiple studies show that for every \$1 invested in climate resilience, communities will save \$6 or more in future payment and damages. Please protect our economic future by investing in a dedicated funding mechanism that will help address these impacts and continue to make Hawai'i resilient into the future not only for our children but for us as a current population. Mahalo nui!

SB-1396-SD-1

Submitted on: 2/25/2025 1:05:22 PM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Kim Falinski	Individual	Support	Written Testimony Only

Comments:

Aloha Senators,

I support this bill, and the opportunity for different financing options for our climate mitigation work from different sources.

Thank you,

Kim

SB-1396-SD-1

Submitted on: 2/25/2025 1:36:52 PM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Tamara Luthy	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of the Establishment of the Climate Mitigation and Resiliency Special Fund and Economic Development and Revitalization Special Fund

Chairperson, Vice Chairperson, and Honorable Members of the Committee,

I am writing in strong support of this important bill, which establishes the **Climate Mitigation and Resiliency Special Fund** and the **Economic Development and Revitalization Special Fund**, both of which will be critical in advancing Hawaii’s efforts to address climate change impacts and foster sustainable economic development.

A Comprehensive Approach to Climate Change and Economic Development

The establishment of the **Climate Mitigation and Resiliency Special Fund**, administered by the Department of Defense (DOD), will provide essential resources to support projects that address the growing threats of climate change. The increasing frequency and intensity of storms, rising sea levels, and other climate impacts demand urgent and coordinated action. By convening a selection committee to review and recommend climate change mitigation and resiliency projects, this bill ensures that the funds will be allocated efficiently to projects with the highest potential for impact. The rule-making authority granted to the Adjutant General ensures that these projects are managed with oversight and accountability, ensuring the fund’s success.

Additionally, the **Economic Development and Revitalization Special Fund**, managed by the Department of Business, Economic Development, and Tourism (DBEDT), provides an essential mechanism for funding projects that not only support economic development and revitalization but also address climate change mitigation and adaptation. With a focus on tourism districts, resort areas, and the critical infrastructure that supports them, this fund will allow Hawaii to adapt to climate change while fostering a resilient economy. The inclusion of climate change initiatives within this fund ensures that future infrastructure projects are designed to withstand the impacts of climate change while supporting sustainable growth.

Integrating Climate Action with Tourism

The bill’s provisions to increase the Transient Accommodation Tax starting in 2026 and allocate a portion to the **Climate Mitigation and Resiliency Special Fund** represents a forward-thinking approach to addressing the costs of climate change. As tourism is a major economic driver in

Hawaii, it is only fitting that the tourism industry contribute to the mitigation of its own environmental impacts. This funding structure will not only support the preservation of our natural resources but also ensure the long-term sustainability of Hawaii's tourism industry.

This bill strikes a critical balance between addressing the environmental challenges posed by climate change and promoting economic development in a responsible and sustainable manner. By aligning efforts to tackle climate change with investments in infrastructure and tourism, the bill ensures that Hawaii can thrive economically while protecting the environment for future generations.

A Long-Term Vision for Hawaii's Future

The forward-looking nature of this bill, with its focus on funding climate resilience and economic revitalization projects well into the future, demonstrates the state's commitment to long-term sustainability. The annual reports required by DBEDT will provide transparency and allow the Legislature to track the success of funded projects, ensuring that taxpayer funds are used effectively and efficiently.

I urge you to support this bill as a crucial step in both protecting Hawaii's natural resources and strengthening our economy. By investing in climate mitigation, adaptation, and resiliency today, we are ensuring a more prosperous and sustainable future for all of Hawaii's residents and visitors.

Thank you for the opportunity to testify in support of this important measure.

Sincerely,
Dr. Tamara Luthy

**Testimony in Support of SB1396 SD1
Senate Committee on Ways and Means
Position: Support**

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Gabrielle Lout and I am submitting written testimony in strong support of SB1396 SD1, which would help dedicate funding toward Hawai'i's natural and cultural resources that sustain the safety of our people, place, and economy. **I live in Niu Valley and have lived all over the island of Oahu over the past 10 years. I am a marine scientist and my career is driven by the need to protect our planet and the people who depend on it. Funding for our 'āina is critical to build resilient communities in the face of a rapidly changing world. There is no time to waste.**

The people of Hawai'i are currently grappling with the consequences of underinvesting in our 'āina. We see coral bleaching, fires, floods, and brown water pollution harming the places we love and the places that sustain our visitor industry and economic livelihoods. What's worse is that this consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks occur. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai'i. Enacting legislation could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

The protection, management, restoration, and stewardship of Hawai'i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. I encourage a revenue-sharing component with community organizations that work on the frontlines of resilience, adaptation, and stewardship. Through a community grant program, this measure will empower experts across Hawai'i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. **I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai'i.**

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. *The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee.* Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary.

We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,
Gabrielle Lout

SB-1396-SD-1

Submitted on: 2/26/2025 8:15:55 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Breanne Fong	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Breanne Fong, and I am submitting written testimony in strong support of SB1396 SD1, which would help dedicate funding toward Hawai‘i’s natural and cultural resources that sustain the safety of our people, place, and economy. I am from Niu in the moku of Kona on O‘ahu and also grew up in Kaimukī. This bill is important to me because of my connection to ‘āina and everyone’s relationship to ‘āina and how crucial it is to nurture this pilina for our well-being whether that be through food, air quality, or engaging in cultural practices to uplift the community and honor our ancestors.

The people of Hawai‘i are currently grappling with the consequences of underinvesting in our ‘āina. We see coral bleaching, fires, floods, and brown water pollution harming the places we love and the places that sustain our visitor industry and economic livelihoods. What’s worse is that this consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks occur. It is estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai‘i. Enacting legislation could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

The protection, management, restoration, and stewardship of Hawai‘i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. I encourage a revenue-sharing component with community organizations that work on the frontlines of resilience, adaptation, and stewardship. Through a community grant program, this measure will empower experts across Hawai‘i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai‘i. There are countless mālama ‘āina non-profits that are making significant impacts on the ‘āina and community and deserve whatever resources and funding needed to continue their critical work in stewarding the ‘āina for current and future generations.

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a

fee. The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee. Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary.

We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,

Breanne Fong

SB-1396-SD-1

Submitted on: 2/26/2025 8:52:59 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

STRONG SUPPORT! MAHALO!

SB-1396-SD-1

Submitted on: 2/26/2025 9:17:43 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Charlotte Frank	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Charlotte Frank and I am submitting written testimony in strong support of SB1396 SD1, which would help dedicate funding toward Hawai‘i’s natural and cultural resources that sustain the safety of our people, place, and economy.

The people of Hawai‘i are currently grappling with the consequences of underinvesting in our ‘āina. We see coral bleaching, fires, floods, and brown water pollution harming the places we love and the places that sustain our visitor industry and economic livelihoods. What’s worse is that this consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks occur. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai‘i. Enacting legislation could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

The protection, management, restoration, and stewardship of Hawai‘i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. I encourage a revenue-sharing component with community organizations that work on the frontlines of resilience, adaptation, and stewardship. Through a community grant program, this measure will empower experts across Hawai‘i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai‘i.

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai‘i with an enacted fee. Visitors and residents agree: giving back to the places you visit is more than acceptable, it’s necessary.

We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai‘i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our

home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,

Charlotte Frank

SB-1396-SD-1

Submitted on: 2/26/2025 9:13:32 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Darren Yamabe	Individual	Support	Written Testimony Only

Comments:

I was born in Hawaii. Except for 10 years, I have been a resident of the State of Hawaii and I plan on living the rest of my life in Hawaii with my wife and two young children, ages 7 and 9. I enjoy the beauty of Hawaii and would love to see the the 'Āina and the lives of Kanaka Maoli supported and protected for many future generations. I love this place I have always called home.

I vote 'yes' for SB1396, which ncreases the Transient Accommodation Tax and allocates a portion thereof to the Climate Mitigation and Resiliency Special Fund.

SB-1396-SD-1

Submitted on: 2/26/2025 9:23:31 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Liliana Ortogero	Individual	Support	Written Testimony Only

Comments:

I am an eighth grader at Hālau Kū Māna, a public Hawaiian-focused charter school. I support this bill because I believe the island can benefit from this bill. Because there is about nine to ten million tourists that visit Hawaii a year, about 250,000,000 dollars, the state and well-being of the Pae ‘Āina will be better.

SB-1396-SD-1

Submitted on: 2/26/2025 9:24:16 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Michaela Williams	Individual	Support	Written Testimony Only

Comments:

I support this testimony

SB-1396-SD-1

Submitted on: 2/26/2025 9:25:22 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Kalani	Individual	Support	Written Testimony Only

Comments:

I support this bill

SB-1396-SD-1

Submitted on: 2/26/2025 9:25:23 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
christian tang	Individual	Support	Written Testimony Only

Comments:

i support this bill to donate to our people and too help our aina

SB-1396-SD-1

Submitted on: 2/26/2025 9:26:27 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Braeden Holt	Individual	Support	Written Testimony Only

Comments:

I support this bill because they are helping the 'āina by giving money so we can add natives, and help the 'āina.

SB-1396-SD-1

Submitted on: 2/26/2025 9:26:42 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Julius Popoalii	Individual	Support	Written Testimony Only

Comments:

I support this because if we dont have money we cant save the island and all the Aina

SB-1396-SD-1

Submitted on: 2/26/2025 9:27:34 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Khailene Paclib	Individual	Support	Written Testimony Only

Comments:

Aloha! I'm an eighth grader at Halau Ku Mana. I support this bill because tourist takes advantage of our land, so if we start charging them maybe they'll be more respectful.

SB-1396-SD-1

Submitted on: 2/26/2025 9:27:41 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
davina	Individual	Support	Written Testimony Only

Comments:

SB1396 should be supported because it will generate critical revenue to fund environmental preservation and infrastructure improvements, ensuring that Hawaii remains a sustainable and attractive destination for tourists while promoting long-term economic growth.

SB-1396-SD-1

Submitted on: 2/26/2025 9:27:50 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Kealiiokalani Kaauamo	Individual	Support	Written Testimony Only

Comments:

I very much so appreciate this because it will be very great for our community and people. I hope that they will be ok with this. I'm glad that you guys care. May you please update me on the state and I want to know exactly where all of the money is going to go.

SB-1396-SD-1

Submitted on: 2/26/2025 9:29:31 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Kawaakauahi Bruce	Individual	Support	Written Testimony Only

Comments:

I support this testimony because around 9-10 million tourists visit Hawaii every year so we will make around 2,250,000-50,000,000 dollars for the environment.

SB-1396-SD-1

Submitted on: 2/26/2025 9:31:59 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Logan	Individual	Support	Written Testimony Only

Comments:

O Lolena Lagman ko'u inoa. No Ewa Beach mai au. I am submitting written testimony in strong support of SB1396 SD1, which would help dedicate funding toward Hawai'i's natural and cultural resources that sustain the safety of our people, place, and economy. '

The people of Hawai'i are currently grappling with the consequences of underinvesting in our 'āina. We see coral bleaching, fires, floods, and brown water pollution harming the places we love and the places that sustain our visitor industry and economic livelihoods. What's worse is that this consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks occur. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai'i. Enacting legislation could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

The protection, management, restoration, and stewardship of Hawai'i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. I encourage a revenue-sharing component with community organizations that work on the frontlines of resilience, adaptation, and stewardship. Through a community grant program, this measure will empower experts across Hawai'i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai'i. I am a student at Hālau Kū Māna and we learn about the aina and the kai.

This is the year elected leaders must act to keep our communities safe. There is immense public

pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee. Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary. We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action. Mahalo for the opportunity to testify,
Lolena Lagman

SB-1396-SD-1

Submitted on: 2/26/2025 9:33:00 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Kamaluhiaokahaloa Zablan	Individual	Support	Written Testimony Only

Comments:

My name is Kamaluhia Zablan and I am submitting written testimony in strong support of SB1396 SD1, which would help dedicate funding toward Hawai'i's natural and cultural resources that sustain the safety of our people, place, and economy. I am from Oahu, Kaimuki, funding our 'āina is important to me because I love to go to the ocean and love to go fishing and learn about the fish that I catch to see their behavior's, it's critically urgent for lawmakers to take action this year because if tourist come and pay the 50 dollar fee then we can have more money to fund for stuff the 'āina. The people of Hawai'i are currently grappling with the consequences of underinvesting in our 'āina. We see coral bleaching, fires, floods, and brown water pollution harming the places we love and the places that sustain our visitor industry and economic livelihoods. What's worse is that this consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks occur. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai'i. Enacting legislation could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods. The protection, management, restoration, and stewardship of Hawai'i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. I encourage a revenue-sharing component with community organizations that work on the frontlines of resilience, adaptation, and stewardship. Through a community grant program, this measure will empower experts across Hawai'i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge

holders to meet the unique needs of Hawai'i. For example I have been partnering up with Umi Kai to learn more about my culture and that's important because if we don't learn and remember our culture then we will lose it.

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this

initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In

January 2025, visitors were polled on their attitudes to a fee. The results show that two-thirds of visitors support a

\$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee.

Visitors and residents

agree: giving back to the places you visit is more than acceptable, it's necessary.

We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a

future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I

am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive

visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,

Kamaluhia Zablan

SB-1396-SD-1

Submitted on: 2/26/2025 9:33:17 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Kingston	Individual	Support	Written Testimony Only

Comments:

I support this testimony because if 80% of tourists say that they are willing to pay the fee I feel this bill should be passed.

SB-1396-SD-1

Submitted on: 2/26/2025 9:33:49 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Mahie Heanu	Individual	Support	Written Testimony Only

Comments:

I support this bill because this will help preserve Hawaiian culture and this will ensure that Hawaiian culture is perpetuated. This bill will also support our traditional artifacts and our people.

SB-1396-SD-1

Submitted on: 2/26/2025 11:06:58 AM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Randy Gonce	Individual	Support	Written Testimony Only

Comments:

Strong support

LATE

SB-1396-SD-1

Submitted on: 2/26/2025 1:31:03 PM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Kahi Pacarro	Individual	Support	Written Testimony Only

Comments:

I have seen the successes that NGOs have had in mitigating climate change through coastal restoration and with more funding, these NGOs can be more impactful. Funding is always a challenge, so opening up new avenues for funding is exciting for the resilience of our islands as we address climate change.