

MACZAC & The Green Fee

How MACZAC can advocate for green fee related projects





What is the Green Fee?

The Green Fee was established by Act 96, signed into law on May 27, 2025. It ensures Hawai'i's environment, resilience and visitor experience are strengthened through new dedicated funding. The Green Fee is a portion of the Transient Accommodations Tax (TAT). Revenues of this portion of the TAT will be used to fund environmental conservation, climate resilience and sustainable tourism in Hawai'i.

THE SENATE
THIRTY-THIRD LEGISLATURE, 2025
STATE OF HAWAII

S.B. NO. 1396
S.D. 3
H.D. 3
C.D. 2

A BILL FOR AN ACT

RELATING TO ECONOMIC DEVELOPMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Hawaii is
2 experiencing a climate emergency. The effects of climate
3 change, such as rising temperatures, prolonged droughts, and
4 increasingly destructive and deadly weather events, are felt
5 across the island chain. These impacts threaten not only our
6 vibrant ecosystems but also the people of Hawaii and the State's
7 economic sustainability. To ensure the health and safety of
8 Hawaii's lands, waters, and people, as well as its economic
9 viability, successful mitigation of and adaptation to climate
0 change are imperative.

1 The legislature further finds that economic development
2 cannot be separated from environmental stewardship. Hawaii's
3 economy is deeply reliant on its natural resources, from tourism
4 and agriculture to marine industries and renewable energy.
5 Degradation of these resources due to climate change and
6 environmental mismanagement will result in significant financial
7 losses across multiple sectors. By investing in sustainability,

2025-2919 SB1396 CD2 SMA.docx



What can Green Fee Funds go towards?*

Environmental Stewardship

Initiatives that protect Hawai'i's land and aquatic resources or preserve native flora and fauna.

Climate & Hazard Resilience

Initiatives that harden infrastructure or mitigate wildfire and flood risks.

Sustainable Tourism

Initiatives that support destination management, beach nourishment and park improvements.

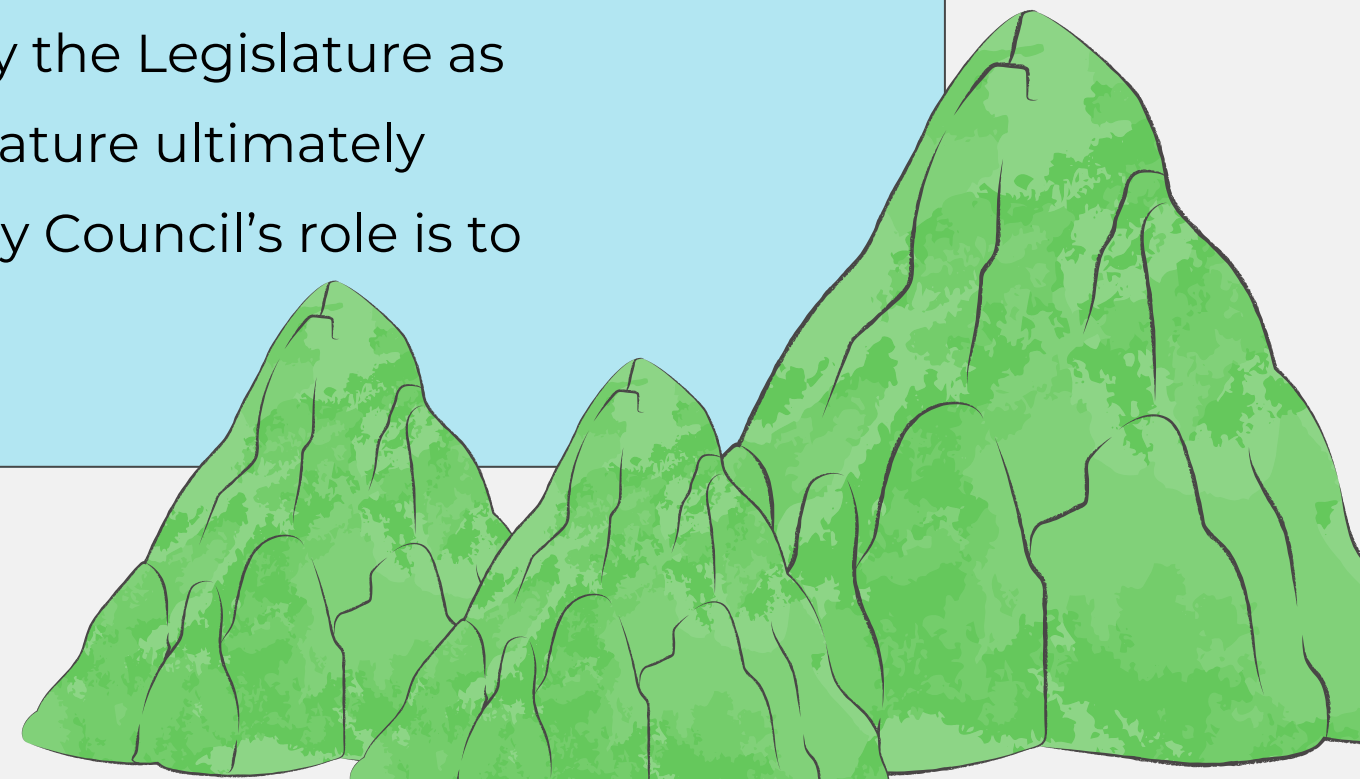
*Each category will receive the same amount of Green Fee funds to ensure equitable prioritization

Timeline for the Green Fee Advisory Council

September-November 2025: Develop clear criteria to evaluate potential funding priorities for Green Fee funding, with a focus on impact, feasibility, cost and alignment with the intent of the legislation.

***November-December 2025:** The Council will provide the Governor with a prioritized list of recommendations, along with an accompanying budget for inclusion in the Executive Supplemental Budget request by mid-December 2025.

January 2026: These recommendations will be considered by the Legislature as part of the state's annual budget process. The State Legislature ultimately determines the appropriation of Green Fee funds; the Advisory Council's role is to provide recommendations and guidance.





What is MACZAC's role?

What are some potential subcategories or types of projects MACZAC wants to see prioritized and implemented using Green Fee funds?

Since we do not yet know which projects have been recommended to Governor Green and the State Legislature, CZM would like to hear from MACZAC members about the types of projects or subcategories within the existing project areas that would be most beneficial.



Potential Subcategories

- Projects that fund cesspool conversion
- Outreach to encourage and inform homeowners on cesspool conversion
- Coral reef restoration projects
- Wetland restoration projects that improve water quality and mitigate flood impacts
- Projects that consider mauka-muliwai-makai connections
- Others?