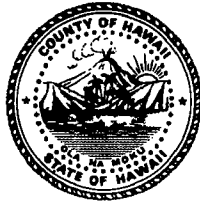


HB 1744

William P. Kenoi
Mayor



William T. Takaba
Managing Director

Walter K.M. Lau
Deputy Managing Director

County of Hawai'i

891 Ululani Street • Hilo, Hawai'i 96720-3982 • (808) 961-8211 • Fax (808) 961-6553
KONA: 75-5706 Kuakini Highway, Suite 103 • Kailua-Kona, Hawai'i 96740
(808) 329-5226 • Fax (808) 326-5663

April 6, 2009

The Honorable Senator Donna Mercado Kim, Chair
and Members of the Senate Committee on Ways and Means
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

**RE: Testimony in Opposition to House Bill No. 1744, House Draft 1
Hearing Thursday, April 6, 2009, at 9:30 a.m., Conference Room 211**

Honorable Chair Kim and Members of the Committee:

Hawaii County strongly opposes HB 1744 HD 1, which seeks to suspend the distribution of transient accommodations tax (TAT) to the counties. The TAT is the second largest source of revenue for the County of Hawaii, and our \$18 million share of the TAT revenue is critical to providing for the health, safety, and welfare of our community.

The TAT supports the essential public services that the County of Hawaii provides to our residents including police, fire, parks and recreation, transit, highways, and solid waste management. Any loss of funding for these critical and essential services threatens the public health, safety and welfare of our community.

The state and county sharing of the hotel room tax collections was established in recognition of the counties' contributions to the well-being and prosperity of Hawaii's visitor industry. This is a partnership that benefits both our residents and visitors alike. The suspension of the TAT to the counties threatens this collaborative and cooperative partnership and jeopardizes services that the counties provide.

We have worked extremely hard to reduce spending by imposing a five percent budget cut and imposing a hiring freeze on non-essential county personnel. In this next fiscal year, we are facing a \$31.8 million dollar shortfall that we are addressing through cuts in programs and services and an additional ten percent reduction in each county department. An additional \$18 million dollar loss would severely hamper our ability to provide critically needed services in our community.

Thank you for your consideration of our position on HB 1744.

Sincerely,

A handwritten signature in black ink, appearing to read "W P Kenoi".

William P. Kenoi
MAYOR



Maui Hotel & Lodging

ASSOCIATION

Testimony of

Carol Reimann

Executive Director

Maui Hotel & Lodging Association

on

HB1744 HD1

Relating to the Transient Accommodation Tax

COMMITTEE ON WAYS AND MEANS

Monday, April 6, 2009 – 9:30am

Conference Room 211

Maui Hotel & Lodging Association (MHLA) is comprised of a membership that includes approximately 120 property and allied business members – all of whom have an interest in the visitor industry. Collectively the visitor industry employs nearly 40% of Maui county residents.

MHLA opposes HB 1744 HD1 entitled Relating to the Transient Accommodation Tax. The ramification of suspending Maui County's share of the TAT for the next six years would be devastating to our already weakened economy.

There is no doubt that the visitor industry has taken a hard hit since the airline crisis early last year and the subsequent economic downfall felt across the nation. As the driving economic engine for Maui County, our declining industry has negatively affected many lives, businesses and jobs. Taking away Maui's share of the TAT would exacerbate an already vulnerable economy.

We ask for your support in opposing HB1744.

Thank you for your consideration.

Sincerely,

Carol Reimann
Executive Director

kim4 - Elizabeth

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, April 04, 2009 3:32 PM
To: WAM Testimony
Cc: gm@napilikai.com
Subject: Testimony for HB1744 on 4/6/2009 9:30:00 AM

Testimony for WAM 4/6/2009 9:30:00 AM HB1744

Conference room: 211
Testifier position: oppose
Testifier will be present: No
Submitted by: Gregg Nelson
Organization: Napili Kai Beach Resort
Address: 5900 Honoapiilani Rd. Lahaina, Maui, Hi
Phone: 808-669-9500
E-mail: gm@napilikai.com
Submitted on: 4/4/2009

Comments:

Dear Ways and Means Committee Members,

I am the general manager of a resort hotel on Maui that employs 160 citizens of our island. I am very much opposed to HB 1744. I apologize for not testifying in person but I live and work on Maui and I can not take the time off from work again to testify personally. I did testify last week in person on an unrelated topic before another senate committee and hope you will accept and consider my electronic testimony against HB1744.

I understand in these difficult times the challenges before you as you struggle to balance the State budget, but to do so at the expense of the Counties is inexcusable. Each County's portion of the TAT is vital to their operation. To withhold these funds the State will particularly be severely impacting the lives of each citizen on the neighbour islands. A more positive way to approach this issue would be for the State to leave the County shares of TAT in tact and instead pursue the many operators who are not paying their fair share of TAT. I truly believe that if this was investigated further you will find that there is a significant amount of tax revenue to be obtained by pursuing those businesses not paying their fair share. I do hope you will consider this request and stop HB1744 now.

Aloha and Mahalo

Gregg Nelson

April 3, 2009

Honorable Donna Mercado Kim
Senate Ways And Means Committee
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

SUBJECT: HB1744 Transient Accommodations Tax; Suspension of Distribution to Counties

Dear Chairperson Kim:

I am opposed to HB1744 which suspends the distribution to the counties. The accommodation tax should be fairly allocated to the counties where visitors are impacting. Visitors utilize facilities that the counties provide such as parks and county roadways. And as such, the accommodation tax should be fairly allocated to the counties to help service these county facilities.

I respectfully ask you to oppose this bill and continue the partial distribution of the Transient Accommodations Tax to the counties.

Sincerely,

Leilani Pulmano

kim4 - Elizabeth

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, April 04, 2009 9:16 AM
To: WAM Testimony
Cc: tamara@savehonolua.org
Subject: Testimony for HB1744 on 4/6/2009 9:30:00 AM

Testimony for WAM 4/6/2009 9:30:00 AM HB1744

Conference room: 211
Testifier position: oppose
Testifier will be present: No
Submitted by: Tamara Paltin
Organization: Individual
Address: 4790 Lower Honoapi'ilani Road HI
Phone: 808 870-0052
E-mail: tamara@savehonolua.org
Submitted on: 4/4/2009

Comments:

I am in extreme opposition to the state taking away the county's TAT monies. This money is needed by each county to offset the effects of transient accommodations on our respective counties. In effect this would be the state robbing from the poor to pay the poor. The county that I live in, Maui, uses these funds to supplement State programs and also leverages the money with matching federal funds to get the most use from the money. Our county already has in place effective use of the funds and there is no way the state could take the money and use it as effectively for the purposes we are already using them. If programs that are considered "state kuleana" get cut because of a lack of this funding it will create a devastating effect to our tourism industry and thus lower the overall amount of money brought in. Overall this is not the way to go, my suggestion would be to raise the tax by 1-2% and let the state take 1% of existing tax so they will get 2-3% and look in other areas to collect money as well, taking a little from each place they can to make up the deficit without severely affecting any one area. Mahalo for your consideration

kim4 - Elizabeth

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, April 04, 2009 9:17 AM
To: WAM Testimony
Cc: tamara@savehonolua.org
Subject: Testimony for HB1744 on 4/6/2009 9:30:00 AM

Testimony for WAM 4/6/2009 9:30:00 AM HB1744

Conference room: 211
Testifier position: oppose
Testifier will be present: No
Submitted by: Tamara Paltin
Organization: Individual
Address: 4790 Lower Honoapi'ilani Road HI
Phone: 808 870-0052
E-mail: tamara@savehonolua.org
Submitted on: 4/4/2009

Comments:

I am in extreme opposition to the state taking away the county's TAT monies. This money is needed by each county to offset the effects of transient accommodations on our respective counties. In effect this would be the state robbing from the poor to pay the poor. The county that I live in, Maui, uses these funds to supplement State programs and also leverages the money with matching federal funds to get the most use from the money. Our county already has in place effective use of the funds and there is no way the state could take the money and use it as effectively for the purposes we are already using them. If programs that are considered "state kuleana" get cut because of a lack of this funding it will create a devastating effect to our tourism industry and thus lower the overall amount of money brought in. Overall this is not the way to go, my suggestion would be to raise the tax by 1-2% and let the state take 1% of existing tax so they will get 2-3% and look in other areas to collect money as well, taking a little from each place they can to make up the deficit without severely affecting any one area. Mahalo for your consideration

kim4 - Elizabeth

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, April 04, 2009 2:59 PM
To: WAM Testimony
Cc: sharon.klaschka@marriott.com
Subject: Testimony for HB1744 on 4/6/2009 9:30:00 AM

Testimony for WAM 4/6/2009 9:30:00 AM HB1744

Conference room: 211
Testifier position: oppose
Testifier will be present: No
Submitted by: Sharon Klaschka
Organization: Individual
Address:
Phone:
E-mail: sharon.klaschka@marriott.com
Submitted on: 4/4/2009

Comments:
We need Maui's fair share of the TAT tax to stay on Maui.

kim2 - Arline

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, April 05, 2009 1:59 PM
To: WAM Testimony
Cc: cadiza005@hawaii.rr.com
Subject: Testimony for HB1744 on 4/6/2009 9:30:00 AM

Follow Up Flag: Follow up
Flag Status: Completed

Testimony for WAM 4/6/2009 9:30:00 AM HB1744

Conference room: 211
Testifier position: oppose
Testifier will be present: No
Submitted by: Patricia Cadiz
Organization: Individual
Address: Paia
Phone: 8088712526
E-mail: cadiza005@hawaii.rr.com
Submitted on: 4/5/2009

Comments:

I strongly oppose this bill and Oahu centric governing. Oahu gets it wrong when they try to micro manage the outerisland affairs. This is our money, we earned it through our marketing efforts and it is not fair to take it away.