



Hawai'i Tourism Authority

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Testimony of
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on

S.B. 1226, S.D. 2

Relating to the Tourism Special Fund

House Committee on Tourism, Culture, & International Affairs
Monday, March 16, 2009
8:30 a.m.
Conference Room 312

The Hawai'i Tourism Authority (HTA) is pleased to provide comments on S.B. 1226, S.D. 2, which changes the percent of transient accommodations tax (TAT) revenues deposited into the Tourism Special Fund from 34.2 percent to an unspecified amount.

In 2005, the percentage of TAT revenues deposited into the Tourism Special Fund was increased from 32.6 percent to 34.2 percent to enable the HTA funding to more fully implement the goals and objectives in its recently adopted Hawai'i Tourism Strategic Plan: 2005-2015 (TSP). Since that time, the additional resources have been used by the HTA to provide greater support to the following TSP strategic initiatives: Access (e.g. airline co-op programs), Communications & Outreach, Hawaiian Culture, Natural Resources, Research & Planning, Safety & Security, Tourism Product Development, and Workforce Development.

Reducing the percentage of TAT revenues deposited into the Tourism Special Fund will seriously affect the HTA's ability to adequately support these initiatives. In anticipation of lower TAT revenues, HTA has already reduced its spending for the current fiscal year by approximately 20 percent and anticipates this downward trend for FY 2010.

While the HTA would prefer to restore the Tourism Special Fund percentage to its original level of 37.9 percent, the HTA strongly believes that the current level of 34.2 percent should be maintained to enable the agency to carry out its program under the current economic conditions.

Thank you for the opportunity to offer these comments.