

SB 1186

LATE TESTIMONY

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Late Testimony

February 10, 2011

TO: Honorable Donna Mercado Kim, Chair
Senate Committee on Tourism

FR: Kelly Hoen, General Manager
Royal Hawaiian Hotel

RE: **SB 1186 – Relating to the Transient Accommodations Tax - Oppose**
TSM Committee – February 10, 2011, Conference Room 224, 1:20PM

Aloha Chair Kim members of the Committee:

My name is Kelly Hoen, General Manager for Royal Hawaiian Hotel. Thank you for the opportunity to testify on **SB 1186, Relating to the Transient Accommodations Tax.**

Our hotels in Hawai'i compete with vacation destinations worldwide, complimentary and budget-priced rooms are marketed for various reasons from promotions to reach travel writers and visitor industry marketers to providing affordable "stay-cations" for our kama'āina, and for local business travelers.

Complimentary rooms are used by the hospitality industry to attract meeting planners to bring events to the state, to educate and encourage travel opportunities for book Hawai'i vacations for clients, and to give travel writers the opportunity to publish and produce stories about Hawai'i as a meeting and vacation destination. Complimentary rooms are also often used by the state to attract film crews to the islands.

Our concern is that the imposition of any new taxes and fees on the visitor industry would not result in the generation of more revenues for the state as intended and may have perverse consequences by causing a visitor to choose another less costly destination than Hawai'i.

A minimum TAT will disproportionately impact our kama'āina, rates and would increase costs to hotels and to the state for complimentary rooms.

For these reasons, we respectfully register our opposition to this bill and request that your committee defer any action on this matter.

We urge you to _____ this measure and thank you for the opportunity to testify.