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LATE

TESTIMONY OF MUFI HANNEMANN PRESIDENT & CEO HAWAI'I LODGING & TOURISM ASSOCIATION

January 30, 2012

RE: HB 2673 Relating to Tourism

Good morning Chairperson Brower and members of the House Committee on Tourism. I am Mufi Hannemann, President & CEO of the Hawai'i Lodging & Tourism Association (fka The Hawaii Hotel & Lodging Association).

The Hawai'i Lodging & Tourism Association is a statewide association of hotels, condominiums, timeshare companies, management firms, suppliers, and other related firms and individuals. Our membership includes over 150 lodging properties representing over 48,000 rooms. Our lodging members range from the 2,680 rooms of the Hilton Hawaiian Village to the 4 rooms of the Bougainvillea Bed & Breakfast on the Big Island.

On behalf of the Hawaii Lodging & Tourism Association, permit me to offer this testimony regarding House Bill 2673, which proposes to enable visitors in hotels to donate \$1 to the state park system.

While HLTA commends the intent of this measure, Section 184-3.4 of the Hawaii Revised Statutes already designates that a portion of transient accommodations tax revenues be directed to the state parks special fund. The adoption of this measure would also impose an administrative burden on hotels and other transient accommodations by requiring that they collect and forward the donations separately to the state.

Hawaii hotels pay general excise taxes and much higher real property taxes than other landowners, in addition to the transient accommodations tax. It's also worth noting that a growing share of this hotel room tax revenue - originally created for tourism marketing, the convention center, and the county governments—is now being diverted to the state's general fund to help balance the budget and for other purposes, including the state park system. This proposal would only add to the operating expenses of transient accommodations and to the cost of a hotel room, even if voluntarily.

The Hawaii Lodging & Tourism Association, therefore, opposes House Bill 2673.

Mahalo for this opportunity to testify.