



LATE TESTIMONY

February 7, 2012

The Honorable Will Espero, Chair
Senate Committee on Public Safety, Government Operations, and Military Affairs
Twenty-Sixth Legislature
Regular Session of 2012
State of Hawaii

HAWAII COUNCIL OF MAYORS STANCE ON S.B. 2445

Chair Espero and members of the Senate Committee on Public Safety, Government Operations, and Military Affairs, Maui Mayor Alan Arakawa, Honolulu Mayor Peter Carlisle, Kauai Mayor Bernard Cravalho and Hawaii Mayor Billy Kenoi submit the following comments on S.B. 2445.

The purpose of this bill is to authorize the counties to establish a retail sales tax of up to two per cent on the retail sale of tangible personal property. The retail sales tax shall take effect two years after the date of the adoption of a retail sales tax ordinance by the county.

Although we appreciate the intent of the legislature to permit the counties a new stream of revenue, we do not support such an authorization at this time as we are mindful that a sales tax would increase the costs of goods bought by Hawaii residents. We realize our residents are already dealing with the impact of Hawaii's economic issues and we have been able to propose balanced county budgets by prioritizing capital improvement projects and making other adjustments.



Mayor Billy Kenoi
County of Hawaii
25 Aupuni Street
Hilo, Hawaii'i 96720



Mayor Peter Carlisle
City and County of Honolulu
530 South King Street
Honolulu, Hawaii'i 96813



Mayor Bernard Carvalho, Jr.
County of Kaua'i
4444 Rice Street
Lihu'e, Hawaii'i 96766

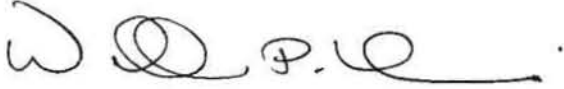


Mayor Alan Arakawa
County of Maui
200 South High Street, 9th Floor
Wailuku, Hawaii 96793

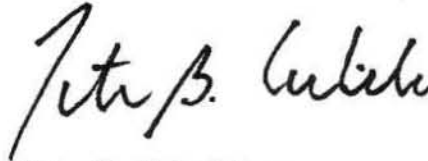
We are hopeful that the counties will be able to retain their portion of the transient accommodation tax, which was created as an equitable method of compensating the counties for impacts of tourism on county services such as police, fire protection, water and sewer and use of county property such as parks, beaches and roads as that remains an essential part of county budgets.

Thank you for this opportunity to testify before you.

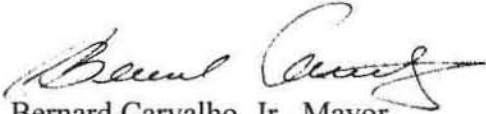
Sincerely,



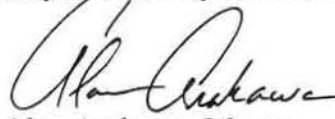
William Kenoi, Mayor
County of Hawai'i



Peter Carlisle, Mayor
City and County of Honolulu



Bernard Carvalho, Jr., Mayor
County of Kaua'i



Alan Arakawa, Mayor
County of Maui