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February 22, 2018

Senator Donovan M. Dela Cruz, Chair  
Committee on Ways and Means  
Hawai'i State Capitol, Room 211  
Honolulu, HI 96813

Senator Gilbert S.C. Keith-Agaran, Vice-Chair  
Committee on Ways and Means  
Hawai'i State Capitol, Room 211  
Honolulu, HI 96813

**LATE**

Dear Chair Dela Cruz, Vice-Chair Keith-Agaran and Committee Members:

**Re: SB 3088, SD 1 Relating to GET Surcharge**  
**Hearing Date: 02/28/18 – 10:00 am; Conference Room 211**

On February 21, the Hawai'i County Council postponed action on a proposal to adopt a GET surcharge. At that moment, SB 3088, SD 1, went from a "nice-to-have safety valve" to being crucial for our budget deliberations. I want to thank the author of the bill, as well as the Transportation and Energy Committee Chair, for having the wisdom to keep this option alive for us.

As you may know, I opposed increasing the GET in Hawai'i County for as long as I have been Mayor. However, I have had to come to terms with the fiscal vise that makes it nearly impossible to (1) balance our County budget, and (2) provide the services that our communities need, without increasing our tax revenue. I therefore am now a full-throated advocate for the surcharge, and willingly taking the heat for that change in position.

The Council wants to act after the Legislature completes its 2018 session, and scheduled the ordinance for further hearing in May. I hope you can understand that it is a tough vote to take, and that Hawai'i County needs this additional time to make the difficult decision to adopt the surcharge. Therefore I ask that you give this bill, SB 3088, SD 1, your favorable consideration. A drop-dead date of June 30 will give adequate time for us to adopt the ordinance, while also allowing the Department of Taxation enough time to prepare appropriate forms for Calendar Year 2019.

Please pass SB 3088, SD 1.

Respectfully submitted,

Harry Kim  
Mayor, County of Hawai'i

Testimony of  
Christopher Delaunay, Government Relations Manager  
Pacific Resource Partnership

THE SENATE  
THE TWENTY-NINTH LEGISLATURE  
REGULAR SESSION OF 2018

COMMITTEE ON WAYS AND MEANS  
Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair



Friday, February 23, 2018  
10:00 a.m.  
State Capitol  
Conference Room 211

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee:

Pacific Resource Partnership (PRP) **supports** SB 3088, SD1, which extends the period that a county may adopt a surcharge on state tax, under certain conditions. This proposed measure specifies, for a county with a population equal to or less than 500,000 that adopts a surcharge, how certain percentages of the surcharge may be used.

The Hawaii County Council recently voted to temporarily postpone action on whether or not to establish a surcharge on state tax until the Council members are able to see the mayor's draft proposed budget which is due to the council by March 1, 2018.

The additional time given will provide Hawaii and Maui counties with the opportunity to continue meeting with community members and to gather additional information to make sound decisions on how to best move forward.

Thank you for allowing us to express our support for SB 3088, SD1, and we respectfully request your favorable consideration.

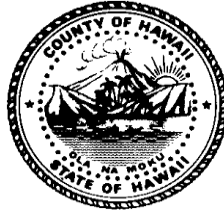


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About PRP

*Pacific Resource Partnership (PRP) is a not-for-profit organization that represents the Hawaii Regional Council of Carpenters, the largest construction union in the state, and more than 240 of Hawaii's top contractors. Through this unique partnership, PRP has become an influential voice for responsible construction and an advocate for creating a stronger, more sustainable Hawaii in a way that promotes a vibrant economy, creates jobs and enhances the quality of life for all residents.*

**Eileen O'Hara**  
Council Member  
Council District 4



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**Chair:** Environmental  
Management Committee

**Vice Chair:** Planning Committee and  
Agriculture, Water & Energy  
Sustainability Committee

**County of Hawaii**  
**Hawaii County Council**

25 Aupuni Street, Suite 1402 • Hilo, Hawai'i 96720

**LATE**

Senator Donovan M. Dela Cruz  
Chair, Senate Committee on Ways and Means  
Hawai'i State Senate

February 22, 2018

**Re: In Support of Senate Bill 3088, from Hawai'i County Council District 4**  
**To be heard by WAM on 02-23-18 at 10:00AM in conference room 211**

Aloha Chair Dela Cruz and Committee Members:

I'm writing to express my support for Senate Bill 3088, which extends the period by three months that a County may adopt a surcharge on State Tax, under certain conditions, from March 31, 2018 to June 30, 2018.

As one of the Hawai'i County Council members supporting the half percent increase of the General Excise Tax, I want to inform you that the Council does not have sufficient information in order to make this decision. The Mayor's budget is not due to us until May 5th, 2018, and we are unclear as to whether the State Legislature will be modifying the allocation of the Transient Accommodations Tax.

Due to this and other unknowns that will be revealed by early May, I moved to postpone the Mayor's GET increase bill until no later than May 9<sup>th</sup>, 2018, to avoid having it voted down. This postponement passed the Council unanimously, signifying the willingness of the Council to consider it with more information.

I sincerely hope this measure passes the Senate Ways and Means Committee and is taken up by the House of Representatives. Please don't hesitate to contact me regarding this matter.

Regards,

Eileen O'Hara  
Council Member  
Council District 4