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David Y. Ige
Governor

Chris Tatum
President and Chief Executive Officer

Statement of
CHRIS TATUM

Hawai'i Tourism Authority
before the
HOUSE COMMITTEE ON FINANCE

Wednesday, February 20, 2019
4:00PM
State Capitol, Conference Room #308

In consideration of
HOUSE BILL NO 548 HD1
RELATING TO THE TRANSIENT ACCOMMODATIONS TAX.

Chair Luke, Vice Chair Cullen, members of the House Committee on Finance: The Hawai'i Tourism Authority (HTA) **supports** House Bill 548 HD1, which increases the allocation of funds from the transient accommodations tax (TAT) revenue to the special land and development fund from \$3,000,000 to \$5,000,000, in order to protect, preserve, maintain, and enhance our natural resources including state parks, beaches, and trails.

HTA believes that safe, secure and well-maintained community infrastructure is essential to the quality of life for our residents and visitors who use state parks, trails, and beaches. Providing additional funding for this purpose will allow the further development and support of programs that will have a direct positive impact on these facilities that play such an important role throughout our state.

The HTA has been very supportive of programs that are in alignment with the purpose of these additional funds. In FY19, we provided the Department of Land and Natural Resources (DLNR) with \$550,000 to support their park programs and we funded a state parks survey (\$400,000) which will provide greater insight into the condition and usage of our state parks. If approved, the HTA will work closely with the DLNR to ensure these funds are expended in an efficient and effective manner.

HTA supports House Bill 548 HD1. We appreciate this opportunity to provide testimony.

DAVID Y. IGE
GOVERNOR OF
HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

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**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the House Committee on
FINANCE**

**Wednesday, February 20, 2019
4:00 PM
State Capitol, Conference Room 308**

**In consideration of
HOUSE BILL 548 HOUSE DRAFT 1
RELATING TO THE TRANSIENT ACCOMMODATIONS TAX**

House Bill 548, House Draft 1 proposes to allocate funds from Transient Accommodations Tax revenue to the Hawaii Tourism Authority (HTA), rather than the Special Land and Development Fund to improve certain state resources and services and requires the Department of Land and Natural Resources (Department) to submit an annual list to HTA of proposed projects for the HTA Strategic Plan. **The Department supports this measure with comments, and provided that its passage does not replace or adversely impact priorities indicated in the Executive Budget request. The Department prefers that the funds remain allocated into the Special Land and Development Fund and has the capacity to write the report which details the expenditures.**

The Department manages lands that contain the state's most unique natural and cultural resources and the nexus for diverting and allocating a greater portion of the TAT for enhancing the management of these resources is clear and crucial. Recent data indicates that Hawaii was visited by approximately 9.9 million visitors over the past year. This is record setting patronage that is impacting sensitive natural, cultural and historic State Park resources and the ancillary trails, roads, parking features, comfort stations and associated infrastructure and at select park units, beaches. The impact is exacerbated by a dire lack of operating funds to fulfill statutory mandates for resource protection and to improve upon recreation access and public safety.

The public experience is now becoming compromised in increasingly more crowded park units that were not envisioned to host this current level of visitation. In addition to the impact of increased pressure, there are growing incidents of property crimes associated with car brake ins, illegal commercial activity, unauthorized events, illegal camping and homelessness.

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Due to social media, there are rampant increases in visitors going out of bounds to natural and cultural attractions that have never been managed nor promoted by State Parks for public recreation. This increases the impact to the county Fires Rescue agencies that must respond to injuries and lost hikers.

The branding of Hawaii as a scenic and attractive resource destination has resulted in this unparalleled patronage - so it stands to reason that reinvestment in the natural and cultural assets is both the right thing to do for the litany of impacts and makes sound economic sense to preserve and improve upon the features that are part of the basis of Hawaii's tourist economy.

Thank you for the opportunity to comment on this measure.

HB-548-HD-1

Submitted on: 2/19/2019 3:20:12 PM

Testimony for FIN on 2/20/2019 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
HERBERT M. "TIM" RICHARDS, III	Hawaii County Council	Support	No

Comments:

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

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SUBJECT: TRANSIENT ACCOMMODATIONS, Increase Earmark

BILL NUMBER: HB 548, HD-1

INTRODUCED BY: House Committees on Tourism & International Affairs and Water, Land, & Hawaiian Affairs

EXECUTIVE SUMMARY: Increases the allocation of funds from transient accommodations tax revenue to the special land and development fund to improve certain state resources and services.

SYNOPSIS: Amends section 237D-6.5, HRS, to change the earmark on the TAT for the special land and development fund from \$3 million to an earmark in favor of the Hawaii Tourism Authority for \$5 million. Clarifies that the money in the fund may be used for state parks, trails, and enforcement activities.

EFFECTIVE DATE: Upon approval.

STAFF COMMENTS: As with any earmarking of revenues, the legislature will be preapproving each of the initiatives fed by the tax earmark, so expenses from the funds largely avoid legislative scrutiny, and the effectiveness of the programs funded becomes harder to ascertain. It is also difficult to determine whether too little or too much revenue has been diverted from other priorities in the state budget.

If the legislature deems the programs and purposes funded by this special fund to be a high priority, then it should maintain the accountability for these funds by appropriating the funds as it does with other programs. Earmarking revenues merely absolves elected officials from setting priorities. If the money were appropriated, lawmakers would have to evaluate the real or actual needs of each program.

Digested 2/16/2019