

Honolulu, Hawaii

**FEB 15** , 2024

RE: H.B. No. 2081  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committees on Tourism and Water & Land, to which was referred H.B. No. 2081 entitled:

"A BILL FOR AN ACT RELATING TO GOVERNMENT,"

beg leave to report as follows:

The purpose of this measure is to:

- (1) Increase the transient accommodations tax rate to 10.25 percent beginning on January 1, 2025;
- (2) Require a minimum \$50 transient accommodation tax to be levied for each transient accommodation or resort time share vacation unit, to be deposited into the general fund; and
- (3) Appropriate funds to the Department of Land and Natural Resources for the protection, management, and restoration of the State's natural resources.

Your Committees received testimony in support of this measure from the Office of the Governor; Department of Land and Natural Resources; The Nature Conservancy; Care for 'Āina Now Coalition; Democratic Party of Hawai'i; Imua Alliance; and three individuals. Your Committees received testimony in opposition to this measure from the Kohala Coast Resort Association; American Resort



Development Association - Hawaii; Hawai'i Lodging & Tourism Association; Grassroot Institute of Hawaii; and two individuals. Your Committees received comments on this measure from the Department of Taxation; Hawai'i Tourism Authority; and Tax Foundation of Hawaii.

Your Committees find that the influx of visitors to the State in recent years has taken a toll on the State's natural resources. While visitors play a substantial role in the State's economy, your Committees believe that the onus of funding the protection and preservation of Hawaii's natural resources should be on those who heavily use these resources. These resources are invaluable to the livelihoods of the State's residents and an integral driver of the State's economy, and the State must ensure that protection and preservation efforts are properly funded.

Your Committees have amended this measure by:

- (1) Deleting language that would have established a minimum transient accommodation tax of \$50 and specified that no portion of the \$50 collected is in excess of revenues realized from the levy, assessment, and collection of the transient accommodations tax for purposes of being deposited into the Mass Transit Special Fund;
- (2) Changing the amount of transient accommodations tax revenue to be deposited into the Mass Transit Special Fund to an unspecified percentage;
- (3) Establishing an additional \$50 transient accommodation tax per night on each furnishing of a transient accommodation;
- (4) Changing the effective date to January 1, 3000, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Tourism and Water & Land that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2081, as amended herein, and recommend that it pass



Second Reading in the form attached hereto as H.B. No. 2081, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committees on Tourism and Water & Land,

  
LINDA ICHIYAMA, Chair

  
SEAN QUINLAN, Chair





