

EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

House Committee on Finance

Wednesday, April 2, 2025

3:30 p.m.

State Capitol, Conference Room 308, and Videoconference

In Support

S.B. No. 1396, S.D. 3, H.D. 2, Relating to Economic Development

Chair Yamashita, Vice Chair Takenouchi, and Members of the House Committee on Finance:

The Office of the Governor supports S.B. No. 1396, S.D. 3, H.D. 2, Relating to Economic Development. S.B. No. 1396, S.D. 3, H.D. 2, amends the Transient Accommodations Tax (TAT) beginning January 1, 2027, and appropriates funds to the Department of Land and Natural Resources (DLNR) for natural resources protection and restoration as well as for environmental stewardship, climate and hazard mitigation, and sustainable tourism.

Hawaii is experiencing a climate emergency. As an island chain, Hawaii is particularly susceptible to the effects of climate change, such as rising temperatures, prolonged droughts, and increasingly destructive and deadly weather events. These effects impact our natural resources, and significant, continued investment is required to mitigate, adapt to, and increase the State's resiliency to these impacts.

Climate change also threatens Hawaii's resort and tourism areas, which are central to the State's economy. Without proactive investment in climate mitigation, adaptation, and resiliency, Hawaii's tourism industry risks significant economic losses, infrastructure damage, and reduced visitor appeal. By integrating climate adaptation with economic revitalization, the State can safeguard its tourism industry while promoting a more sustainable and resilient future.

The Office of the Governor appreciates the Legislature's appropriation of general revenues for fiscal year (FY) 2025–2026 and FY 2026–2027 for environmental stewardship, climate and hazard mitigation, and sustainable tourism. As the H.D. 2 is written, these revenues are appropriated solely to DLNR. However, environmental, hazard, and tourism projects fall under the purview of multiple departments. For example, as the State's lead on hazard mitigation and disaster readiness, the Department of Defense is best equipped to implement resiliency and hardening projects, whereas the Department of Business, Economic

Development, and Tourism holds great experience in driving forward destination management initiatives. The Department of Agriculture is an expert in protecting and adapting agricultural lands and production against climate impacts, whereas the Department of Hawaiian Home Lands holds a vested interest in the timely and effective construction of climate-resilient infrastructure that will safeguard its beneficiaries. Therefore, to give projects the greatest chance of success, **the Office of the Governor requests your committees make funding available to multiple departments.** Providing funding to multiple departments, rather than solely to DLNR, ensures that each project is led by the department with jurisdiction over, subject matter expertise on, and vested interest in the specific project, whether relating to environmental stewardship, climate and hazard mitigation, or sustainable tourism.

The Office of the Governor is committed to funding environmental stewardship, climate and hazard mitigation, and sustainable tourism in a manner that minimizes the financial impact to Hawaii residents. To avoid placing an undue financial burden upon residents, the Office of the Governor supports increasing the TAT. The TAT is currently at a statewide minimum of 10.25%. To balance the need to protect our natural resources with the potential impacts an increased TAT would have on the visitor industry, **the Office of the Governor recommends increasing the TAT by 1.0% from 10.25% to 11.25%.** According to the Department of Taxation, this 1.0% increase in the TAT would increase total TAT revenues by 8.9%, generating an estimated \$90 million in additional revenues for FY 2027 and growing to \$100 million in additional revenues for FY 2030.

To ensure these additional TAT revenues are solely available for environmental stewardship, climate and hazard mitigation, and sustainable tourism, the Office of the Governor requests that the additional TAT revenues generated by the increase in TAT be deposited into a special fund rather than the general fund. Because any one legislature is prohibited from obligating a future legislature to appropriate general funds for a particular purpose, continuing to deposit the 1.0% increase in TAT funds into the general fund, as H.D. 2 currently does, rather than into a special fund, does not safeguard funds for environmental, hazard, and tourism projects. To ensure funds are used only for specified purposes, such as environmental stewardship, climate and hazard mitigation, and sustainable tourism, the funds must be deposited into a special fund with specified allowable uses.

Therefore, **the Office of the Governor requests your committees establish a special fund into which 8.9% of total TAT revenues are deposited and the expenditure ceiling of which is allocated as follows: 40% to environmental stewardship, 40% to climate and hazard mitigation, and 20% to sustainable tourism.**

Lastly, **the Office of the Governor suggests an appropriation amount of \$90 million be inserted into section 4 of the bill.** This amount aligns with the amount of revenues a 1.0% increase in the TAT is expected to generate when the increase first goes into effect.

Utilizing increased TAT revenues to fund resiliency and economic development projects would couple visitor impacts to the State's natural and built resources to their continued financial support and longevity. Tourism areas, including our precious beaches and waterfalls, cultural landmarks, and heritage sites, experience significant use due to large numbers of visitors. Everyone must do their part to ensure the health of these resources. For visitors to the islands, this includes supporting Hawaii's places and people, especially those heavily impacted by tourism, through the TAT.

In summary, the Office of the Governor appreciates the intent of this measure and respectfully requests the following amendments.

1. Provide funding to multiple departments for environmental stewardship, climate and hazard mitigation, and sustainable tourism
2. Increase the TAT by 1.0% from 10.25% to 11.25% (section 3)
3. Establish a special fund into which 8.9% of total TAT revenues are deposited and the expenditure ceiling of which is allocated as follows: 40% to environmental stewardship, 40% to climate and hazard mitigation, and 20% to sustainable tourism
4. Insert an appropriation amount of \$90 million (section 4)

Climate mitigation and resiliency are essential to the health, safety, and well-being of Hawaii's islands and people. We must fund projects that will strengthen the State's ability to mitigate and adapt to the impacts of climate change without financially burdening Hawaii's residents, and the Office of the Governor believes that increasing the TAT by 1.0% and depositing the corresponding portion of TAT revenues into a special fund for the financing of environmental stewardship, climate and hazard mitigation, and sustainable tourism will accomplish these dual goals.

The Office of the Governor looks forward to continuing discussions on this bill. Thank you for the opportunity to provide testimony on this measure.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT GOVERNOR



Hawaii Green Infrastructure Authority

An Agency of the State of Hawaii

JAMES KUNANE TOKIOKA
CHAIR

GWEN S YAMAMOTO LAU
EXECUTIVE DIRECTOR

Testimony of
Gwen Yamamoto Lau
Executive Director
Hawaii Green Infrastructure Authority
before the
House Committee on Finance
Wednesday, April 2, 2025, 3:30 PM
State Capitol, Conference Room 308
in consideration of
Senate Bill No. 1396, SD3, HD2
RELATING TO ECONOMIC DEVELOPMENT

Chair Yamashita, Vice Chair Takenouchi and Members of the Committee:

Thank you for the opportunity to testify in **support** of SB1396, SD3, HD2, relating to economic development.

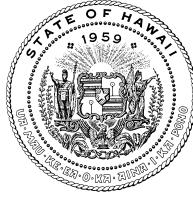
Serving as a member of the Climate Advisory Team over the past six months has heightened my awareness of the devastating impacts of disasters and underscored the importance of investing in pre-disaster preparedness to mitigate future losses and long-term recovery.

As an island state, we are at ground-zero for climate related disasters. Adding to our vulnerabilities are islanded grids, with the next closest land mass that will be able to provide much needed resources over 2,300 miles away.

To address our climate emergency, investing in mitigation and adaptation is critical. Given the breadth of the work that needs to be done, the Hawaii Green Infrastructure Authority respectfully requests that the Committees (1) identify multiple expending agencies for appropriation of the bill to allow departments to lead critical projects within their jurisdiction and expertise; and (2) deposit the additional revenues generated by the TAT increase into the special fund established in the bill to ensure that these funds are set aside for its intended purpose.

It is our kuleana to invest in our communities to mitigate the impacts of climate disasters as well as take care of our fragile ecosystems that keep Hawaii a top travel destination.

Thank you for this opportunity to testify and provide comments on SB 1396, SD3, HD2.



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

House Committee on Finance

Wednesday, April 2, 2025

3:30 p.m.

State Capitol, Conference Room 308 and Videoconference

With Comments

S.B. No. 1396, SD3, HD2, Relating to Economic Development

Chair Yamashita, Vice Chair Takenouchi, and members of the House Committee on Finance:

The Office of the Governor Recovery and Resiliency Unit **Offers Comments** S.B. No. 1396 SD3, HD2, Relating to Economic Development.

This measure represents a crucial step forward in strengthening our state's economic and environmental resilience. Resiliency projects play a vital role in reducing hazard vulnerability by proactively addressing risks associated with natural disasters and climate change. By implementing funds towards mitigation and resiliency efforts such as flood mitigation, hardening homes with retrofits, and infrastructure reinforcement, we can minimize the impact of severe weather incidents and other threats before they escalate into crises. These investments help protect lives, property, critical infrastructure, and the environment, ensuring that our communities are better equipped to withstand and recover from disasters.

A well-prepared community significantly reduces the time it takes to recover from disasters. By investing in proactive measures rather than reactive responses, we can minimize economic disruptions, protect jobs, and ensure that essential services are restored quickly. A shorter recovery period means less strain on government resources, a faster return to normalcy for residents, and a more resilient local economy.

There is great value in resiliency projects as these proactive investments can radically reduce risks. For instance, retrofitting homes to withstand environmental hazards are proven to be a cost-effective avenue to reduce risks. In wildfire prone areas, implementing fire mitigation strategies such as creating defensible space around properties or utilizing fire-resistant building materials can dramatically reduce the spread of wildfires.

Similarly, in flood prone regions, elevating structures above expected flood levels or strategically relocating them to safer areas can prevent devastating losses. In hurricane prone areas, retrofitting homes to withstand high winds can be a simple, yet incredibly effective upgrade through installing hurricane clips and/or larger structure envelope hardening. These measures ensure that homes remain intact and reduce costly repairs and displacement of families including short-term sheltering and long-term interim housing. As communities become more resilient, they become more attractive to businesses which foster long-term economic revitalization.

Despite the clear benefits of these resiliency projects, funding for such initiatives has traditionally been reliant on federal sources, particularly through the Federal Emergency Management Agency (FEMA) and other partners in the federal government. This creates a reliance on federal funds, and that dependence can create uncertainty. To ensure long-term stability, establishing a dedicated state fund would guarantee a more consistent and reliable source of support. These funds are often nationally competitive in nature, require various matching funds, and can take years to secure and implement and with no guarantee our partners will secure funding. Senate Bill 1396 SD3, HD2, takes that step in addressing this gap by establishing a dedicated state level fund for climate mitigation and resiliency efforts. This will allow for a more strategic, long-term approach to resiliency planning and implementation.

To ensure the effective implementation of these resiliency initiatives, it is essential that a primary agency be designated to oversee the administration of these funds. This agency must possess the necessary expertise, be equipped with the appropriate resources, and ensure funds are allocated efficiently.

If you have any questions on this testimony please contact Luke Meyers, Branch Chief Hawai'i Office of Recovery and Resiliency (HI-ORR) and State Disaster Recovery Coordinator for the Maui Wildfires. Thank you for the opportunity to provide testimony on this measure.



**STATE OF HAWAII
HAWAII CLIMATE CHANGE MITIGATION & ADAPTATION
COMMISSION
POST OFFICE BOX 621
HONOLULU, HAWAII 96809**

**Testimony of
LEAH LARAMEE**

**Climate Change Coordinator on behalf of
Climate Change Mitigation and Adaptation Commission Co-Chair Mary Alice Evans and
Co-Chair Dawn N.S. Chang**

**Before the House Committee on
FINANCE**

**Wednesday, April 2, 2025
3:30MP
State Capitol, Conference Room 308 & Videoconference**

**In consideration of
SENATE BILL 1396 SENATE DRAFT 3 HOUSE DRAFT 2
RELATING TO ECONOMIC DEVELOPMENT**

Amends the Transient Accommodations Tax rate beginning on 1/1/2027. Assesses the Transient Accommodations Tax on cruise ship cabins based on the total time the cruise ship is docked at any port in the State. Appropriates funds to DLNR for protection, management, and restoration of the State's natural resources as well as for environmental stewardship, climate and hazard mitigation, and sustainable tourism. The Hawai'i Climate Change Mitigation and Adaptation Commission (Commission) **provides the following comments.** The Commission consists of a multi-jurisdictional effort between 20 different departments, committees, and counties to protect the lives and livelihoods of the people of Hawai'i through accelerated climate action.

Previous versions of this bill provide a sustainable funding mechanism to support climate actions across the state to mitigate and recover from the life-threatening impacts of climate change. Climate change is accelerating yet our state response has not matched the ambitions set or met the rate of implementation to meet the many challenges Hawai'i is already facing. Climate actions have been severely underfunded with expected costs rising each year of inaction. In order to adequately meet the growing impacts and costs of climate change to our economy, natural resources, communities and health, a Climate Mitigation and Resiliency Special Fund that allows for both long term dedicated funding for long range planning and nimble emergency response should be established.

The devastating fires of Lahaina, a singular event exacerbated by climate change, is expected to cost over \$12 billion dollars. Skyrocketing insurance premiums and mass exodus from insurance

Co-Chairs:
Chair, DLNR
Director, OPSD

Commissioners:
Chair, Senate AEN
Chair, Senate WTL
Chair, House EEP
Chair, House WAL
Chairperson, HTA
Chairperson, DOA
CEO, OHA
Chairperson, DHHL
Director, DBEDT
Director, DOT
Director, DOH
Chairperson, DOE
Director, C+C DPP
Director, Maui DP
Director, Hawai'i DP
Director, Kaua'i DP
The Adjutant General
Manager, CZM

agents in vulnerable areas are a clear indication that we can no longer ignore the costly impacts of climate. A 2024 study shows that every \$1 spent on climate resilience and preparedness saves communities \$13 in damages, cleanup costs and economic impact.¹ An investment into climate mitigation and resilience is an investment into our people, economy and future. Annual allocations do not allow for both the flexibility needed to respond to emergency situations nor for the long term planning that can take place when funding is dedicated.

There is no shortage of actions that can be taken today. The Commission's "Grants to Projects Bridge" (<https://climate.hawaii.gov/grants-to-projects-bridge>) has identified unfunded climate projects totaling nearly \$1 billion annually. These projects were identified as needs by state agencies, included in state and county plans, and submitted by community members ready to implement climate resilience in their communities. Climate action can not take place without funding. The new version of this bill does little to ensure that funding will be readily available to meet the needs of communities to build a resilient, affordable and safe climate ready Hawai'i. Funding climate action is a hugely popular initiative that will not only save kama'aina money and boost the economy but will also save lives.

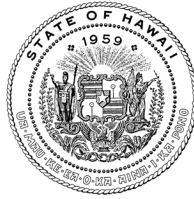
Regarding testimony voicing concerns over increases to the TAT leading to declining visitor numbers, the Department of Business, Economic Development and Tourism November 2024 marked the fourth-consecutive month with year-over-year growth in both visitor arrivals and expenditures.¹ Tourism has large impacts on our environment, is a big contributor to climate change in the state and it is time to prioritize residents' needs. Visitor destination management plans are making progress. However, much work still needs to be done to create a sustainable tourism economy. The contribution of the TAT can help to contribute to actions to making Hawai'i safer in the face of climate change.

Mahalo for the opportunity to testify on this measure.

¹ [Department of Business, Economic Development & Tourism | Visitor Industry Recorded Fourth Consecutive Year-over-Year Growth in November 2024](#)

JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621
HONOLULU, HAWAII 96809

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT

RYAN K.P. KANAKA'OLE
FIRST DEPUTY

CIARA W.K. KAHAHANE
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
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CONSERVATION AND RESOURCES
ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Testimony of
DAWN N. S. CHANG
Chairperson

Before the House Committee on
FINANCE

Wednesday, April 2, 2025
3:30 PM

State Capitol, Conference Room 308 & Videoconference

In consideration of
SENATE BILL 1396, SENATE DRAFT 3 HOUSE DRAFT 2
RELATING TO ECONOMIC DEVELOPMENT

Senate Bill 1396, Senate Draft 3, House Draft 2, amends the transient accommodations tax rate and assesses the Transient Accommodations Tax on cruise ship cabins based on the total time the cruise ship is docked at any port in the State, and appropriates funds to DLNR for protection, management, and restoration of the State's natural resources as well as for environmental stewardship, climate and hazard mitigation, and sustainable tourism. **The Department of Land and Natural Resources (Department) strongly supports this measure.**

Hawai'i's natural and cultural resources provide our drinking water, sustain all life on our islands, are significant economic assets and prime attractions of our tourism industry, and support our communities' well-being, health, and identity. A University of Hawai'i study examined the various services provided by O'ahu's Ko'olau forests, including drinking water recharge, flood prevention, water quality, carbon storage, biodiversity, cultural, aesthetic, recreational, and commercial values. These services were calculated to have a net present value of between \$7.4 and \$14 billion. Coral reefs, the first line of defense against large ocean swells - annually protect \$836 million in averted damages to property and economic activity in Hawai'i.

Despite the enormous value of our forests and oceans, Hawai'i invests less than 1% of the total state budget into their protection and management. Without adequate investment, the increasing impacts of climate change, wildfires, invasive species, and overuse threaten to erode the assets that sustain our economy and communities.

Increased tourism-related taxes and fees have allowed places like the Republic of Palau, the Galapagos Islands, New Zealand, and the Maldives to allow more significant investment in their natural resources, reducing the overall impact of tourism on their environments, improving the quality of visitor experiences, and supporting community stewardship of these unique places. Many visitors and residents do not mind paying a fee if they know it goes back to caring for the beautiful places and resources they have come to enjoy.

In 2001, the Department conducted a study to determine Hawai‘i’s willingness to support increased funding for watershed protection. Respondents were presented with various means by which the increased funds could be raised (general funds, taxes, or fees). 74% supported using environment-related fees; 80% supported a visitor-related fee. Palau adds a green fee to all airline passengers leaving the island state and adds the funds to an environmental management fund. Palau, New Zealand, and Maldives have not experienced a decline in visitors due to their green fees.

The Department supports directing general funds to advance projects that address climate change to close the funding gap for managing Hawai‘i’s natural resources. For the next two fiscal years (FY 26 and 27), the Department has identified \$360,103,146 in operating costs and \$81,485,000 in capital improvement projects (CIP) that would directly support environmental stewardship, hazard and climate mitigation and sustainable tourism initiatives. These include watershed protection, wildfire prevention, invasive species control, coastal resilience, and infrastructure improvements to enhance visitor experiences while minimizing environmental impacts. For example, our Division of Forestry and Wildlife’s [interactive story map^{\[1\]}](#), highlights over 80 possible projects. DLNR is eager to collaborate with partner agencies like the Hawai‘i Tourism Authority to implement projects.

This measure represents a proactive approach to climate resilience, disaster mitigation, and resource conservation that will benefit residents and visitors alike. Investing in Hawai‘i’s natural capital is not an option; it is necessary to protect our future.

Mahalo for the opportunity to testify on this measure.

^[1] See <https://arcg.is/0GOfl10>

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION

Ka 'Oihana 'Auhau
P.O. BOX 259

HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION

TESTIMONY ON THE FOLLOWING MEASURE:

S.B. No. 1396, S.D. 3, H.D. 2, Relating to Economic Development.

BEFORE THE:

House Committee on Finance

DATE: Wednesday, April 2, 2025

TIME: 3:30 p.m.

LOCATION: State Capitol, Room 308

Chair Yamashita, Vice-Chair Takenouchi, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding S.B. 1396, S.D. 3, H.D. 2, an Administration measure, for your consideration.

Section 2 of S.B. 1396, S.D. 3, H.D. 2, amends section 237D-1, Hawaii Revised Statutes (HRS), by adding new definitions for "cruise ship" and "cruise ship cabin." It also amends the definition of "lease", "let", or "rental" to include the leasing or renting of cruise ship cabins and accommodations on cruise ships, and the definition of "transient accommodations" to include cruise ship cabins and living quarters on cruise ships.

Section 3 amends section 237D-2, HRS, which imposes and sets the rates for the transient accommodations tax (TAT). The bill amends the TAT rate on transient accommodations to an unspecified amount starting on January 1, 2027, and amends the TAT rate on resort time share vacation units to an unspecified amount beginning on January 1, 2027. The bill further amends the allocation to the mass transit special fund to an unspecified amount.

Section 3 of the bill also adds a new clause to section 237D-2(a), HRS, imposing a tax on gross rental proceeds derived from the furnishing of a cruise ship cabin for the duration of the cruise lease, prorated by the percentage of total time docked at any port in the State.

Section 3 also amends the allocation of TAT revenues deposited quarterly into

the mass transit special fund under section 237D-2(e), HRS, from 1 percent to an unspecified percent of all TAT revenues levied, assessed, and collected.

The bill has a defective effective date of July 1, 3000.

DOTAX notes that it can administer changes to the TAT rate and the imposition of the TAT on cruise ships by the stated effective date of January 1, 2027.

Thank you for the opportunity to provide comments on this measure.



Hawai'i Climate Advisory Team

To: Rep. Kyle T. Yamashita, Chair
Rep. Jenna Takenouchi, Vice Chair
House Committee on Finance

From: The Climate Advisory Team
SB1396, SD3, HD2 - Relating to Economic Development - Support With Comments
Wednesday, April 2, 2025, 3:30 p.m., Conference Room 308 & Videoconference

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

Mahalo for the opportunity to testify in **support** of SB1396, SD3, HD2 relating to economic development. As members of the Governor's Climate Advisory Team (CAT), we believe the state must invest in bold actions to prepare for, mitigate, and adapt to the adverse impacts of disasters, which are increasing in severity and frequency with climate change. This bill takes an important step in that direction by establishing a mechanism to raise the Transient Accommodations Tax (TAT) to fund the critical resilience work that must be done to protect our state in the face of extreme disasters.

The CAT is a volunteer group, convened by Governor Green to develop community-informed policy recommendations to help make Hawai'i more resilient to natural disasters. The CAT published its findings and recommendations in a [policy paper](#) in January 2025. **The CAT's top priority recommendation is for the state to establish revenue sources that ensure dedicated, long-term funding for resilience projects. It is also a top priority of the Governor's administration for the 2025 legislative session.** Increasing the Transient Accommodation Tax (TAT) and directing those funds towards resilience projects is an important step the state can take to protect residents, businesses, infrastructures, and communities from the known devastation of disasters.

Hawai'i faces increasingly devastating risks of climate-related disasters, yet we lack a reliable, consistent funding source for disaster mitigation and resiliency efforts. If it persists, this imbalance threatens significant harm to Hawai'i's families, communities, businesses, economy, and precious natural resources.

The CAT emphasizes that a coordinated approach for state climate resiliency requires sustained financial support from sources that do not exacerbate the cost of living crisis Hawai'i faces. Increasing the TAT by 1.0%, from 10.25% to 11.25%, would generate an estimated \$90 million in additional revenues for FY2027 and \$100 million for FY2030. To ensure these additional TAT revenues are available for environmental stewardship, climate and hazard mitigation, and sustainable tourism, we respectfully request the revenues from the increased TAT be deposited into a special fund rather than the general fund. This would safeguard funds for environmental, climate mitigation, and sustainable tourism projects



Hawai'i Climate Advisory Team

and ensure the TAT revenues go to specified allowable uses. We agree with the recommendation of the Office of the Governor to establish a special fund into which 8.9% of total TAT revenues are deposited, with 40% allocated towards environmental stewardship, 40% towards climate and hazard mitigation, and 20% to sustainable tourism.

In the CAT's policy paper, we make several recommendations for climate mitigation and resiliency work that urgently requires coordinated action and funding by the state. These are specific areas where revenues generated by the TAT increase should be directed to address the most pressing disaster-related threats we face:

Environmental Resilience Projects:

- **Wildfire Risk Reduction:** Perpetual management of high-fire-risk vegetation to remove invasive grasses, bushes, and trees; replacing invasive-dominant areas with thriving native ecosystems; restoration and management of healthy forests; environmental stewardship of watersheds and streams to create and capture rainfall, recharge aquifers and reduce fire risk.
- **Hurricane and Tsunami Damage Mitigation:** Beach and dune conservation; coral reef management, stewardship, and restoration; fishpond restoration and stewardship of coastal wetlands that buffer communities from risk; restoration and management of native coastal vegetation and dunes; prevention of overgrowth of albizia and other high-risk trees that can topple onto homes, roads, and utility infrastructure.
- **Minimize Flooding Risk:** Management of healthy native watersheds and stream buffers to absorb rainwater, slow the speed and volume of runoff, and decrease flooding; vegetation management and maintenance of permeable surfaces to continue runoff absorption and slow flows; restoration of lo'i kalo and 'auwai systems; establishment or maintenance of natural retention areas in high-pavement or high-risk areas.

These critical investments will strengthen our environment as our first line of defense against disasters. Environmental resiliency work in other states like California has been found to reduce wildfire risk and significantly reduce the cost of recovery when disasters do occur. Please see [Section 3.3 of the CAT's Policy Recommendations on Climate Disaster Resilience, Recovery and Funding](#) for more information, and summaries of dozens of environmental resilience projects that need funding [from the Department of Land and Natural Resources](#) (DLNR).

Other projects funded by the TAT increase set aside in a special fund should be directed towards increasing the resilience of Hawai'i's communities and infrastructure. A tremendous amount of work is already underway by communities and homeowners themselves to enhance their own readiness, but more financial, organizational, and planning support from the state is needed to accelerate these efforts.



Hawai'i Climate Advisory Team

Some of these initiatives have been proposed in separate legislation this session and could be funded with the TAT increase. These priority areas for community and built environment resilience are:

- **Establish a Home Retrofit Program:** Create a home retrofit grant program modeled after the Strengthen Alabama Homes program to fortify residential structures against wind damage.
- **Promote Community Resilience Through Pre-Disaster Education and Coordination:** Organize an annual conference focused on disaster prevention, preparation, and education to bring together experts, local leaders, and community members to develop coordinated strategies.
- **Promote Resilience Hubs:** Support resilience hubs across our communities through state funding for community-driven efforts to develop hubs and subsidize ongoing operations.
- **Upgrade Emergency Communications:** Upgrade emergency communication systems and processes.

Hawai'i's tourism industry depends on our state's land, infrastructure, and natural resources. If we don't act now to preserve our state's precious resources and protect our islands from future disasters, the tourism industry is likely to feel significant impacts. Investing now to protect our environment and local communities from the devastating impacts of climate-related disasters will help ensure Hawai'i remains a desirable travel destination for visitors. The proposed increase to the TAT to fund statewide resiliency is fair because it accounts for the visitor industry's impact on state resources and avoids added financial burdens on our most vulnerable residents. Thank you for the opportunity to testify before your committee on SB1396, SD3, HD2.

With aloha,

The Climate Advisory Team



TESTIMONY OF
CAROLINE ANDERSON
Interim President & CEO
Hawai'i Tourism Authority
before the
HOUSE COMMITTEE ON FINANCE

Wednesday, April 2, 2025
3:30 p.m.
State Capitol, Room 308

In consideration of
SB 1396 SD 3 HD 2
RELATING TO ECONOMIC DEVELOPMENT

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

The Hawai'i Tourism Authority (HTA) offers comments on SB 1396 SD 3 HD 2, which amends the transient accommodations tax (TAT) rate beginning on January 1, 2027 and assesses the TAT on cruise ship cabins based on the total time the cruise ship is docked at any port in the State. It also appropriates funds to the Department of Land and Natural Resources (DLNR) for protection, management, and restoration of the State's natural resources as well as for environmental stewardship, climate and hazard mitigation, and sustainable tourism. It sets the effective date to July 1, 3000.

Several bills in this legislative session propose increasing the TAT for specific purpose funds or to support the work of non-tourism state agencies. It is important to have the nexus to tourism and ensure that funding is directed towards tourism marketing, destination management, infrastructure improvements in visitor areas, and natural resource areas frequented by visitors.

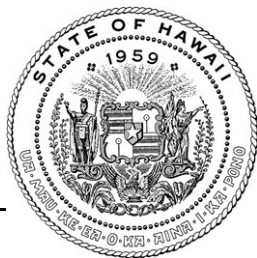
We prefer a direct connection to tourism with language found in HB 504 HD 2 SD 1 which specifically outlines funding for tourism-related environmental stewardship projects. HTA has collaborated with the DLNR to identify tourism-related environmental stewardship initiatives that should receive funding from the TAT revenue generated by visitors.

While we recognize the intention behind raising the TAT, and assessing TAT on cruise ship cabins based on the total time the cruise ship is docked at any port in the State, the HTA must ensure that such tax increases do not create barriers to travel. Instead, they should provide a positive and competitive business environment [HRS 201B-3(a)(17)].

Concerning assessment of TAT on cruise ship cabins based on the total time the cruise ship is docked at any port in the State, we suggest that would be per trip in Hawai'i instead of per port. This tax is likely to reduce the number of stops that cruise lines would want to visit between the islands, which could significantly reduce the amount of on-island spend through excursions, shopping, etc. This tax would disproportionately hurt cruise lines such as NCL that have 7-day itineraries with multiple ports. There is potential they would reduce the number of trips that they offer

Furthermore, we defer to the appropriate agency to assess whether the mechanics of implementing such a tax can be effectively executed.

Mahalo for the opportunity to share our comments.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKA'I

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

JAMES KUNANE TOKIOKA
DIRECTOR

DANE K. WICKER
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: dbedt.hawaii.gov

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
JAMES KUNANE TOKIOKA
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE

Wednesday, April 2, 2025
3:30 PM
State Capitol, Conference Room 308

In consideration of
SB 1396, SD3, HD2
RELATING TO ECONOMIC DEVELOPMENT.

Chair Yamashita, Vice Chair Takenouchi, and members of the Committee:

DBEDT supports SB1396 SD3 HD2, which provides critical funding for environmental stewardship, hazard mitigation, and sustainable tourism—all of which are essential to safeguarding Hawai'i's natural resources and economic future.

While we support the intent of this measure, we respectfully request the following amendments to ensure its successful implementation:

1. Appropriations to Multiple Departments

Given the broad scope of the projects, we request funding be made available to multiple departments to execute projects within their purview. Agencies involved in project identification are best suited for execution, ensuring efficiency and accountability.

2. Insert a Section to Establish a New Special Fund Which TAT Revenue Shall Be Deposited Into

We propose directing additional TAT revenues to a special fund instead of the general fund, ensuring funds are used solely for environmental stewardship, hazard mitigation, and sustainable tourism. We continue working with B&F on refinements and welcome further collaboration.

DBEDT's Role and Sustainable Tourism Priorities

Hawai'i's economy is intrinsically linked to its environment and cultural resources. Without proactive stewardship, the economic benefits of tourism may be overshadowed by the long-term costs of environmental degradation and climate-related disasters.

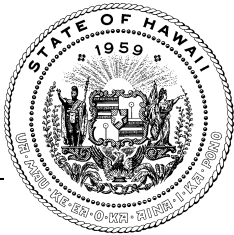
Within the sustainable tourism space, DBEDT envisions utilizing funds from SB1396 SD3 HD2 for initiatives that:

- Implement destination management strategies that balance visitor impacts with community well-being.
- Invest in infrastructure upgrades that mitigate coastal erosion, rising sea levels, and other environmental threats to tourism-dependent regions.
- Expand regenerative tourism programs that directly reinvest in conservation efforts, leveraging visitor contributions to restore and protect forests, reefs, and watersheds.
- Promote eco-friendly tourism models, encouraging carbon offsets, sustainable lodging, and circular economy practices to reduce tourism's footprint.

These initiatives align with broader policy recommendations for disaster resilience and sustainable economic growth, as outlined in recent executive summaries and climate advisory reports.

SB1396 SD3 HD2 represents a critical investment in Hawai'i's environmental and economic resilience. By implementing the proposed amendments, we can maximize efficiency, accountability, and impact, ensuring that funds support long-term sustainability rather than short-term fixes.

Mahalo for the opportunity to testify. DBEDT looks forward to continued collaboration to strengthen Hawai'i's economic and environmental future.



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

235 South Beretania Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone:
Web:

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARK B. GLICK
CHIEF ENERGY OFFICER

(808) 451-6648
energy.hawaii.gov

Testimony of
MARK B. GLICK, Chief Energy Officer

before the
HOUSE COMMITTEE ON FINANCE

Wednesday, April 2, 2025
3:30 PM
State Capitol, Conference Room 308 and Videoconference

In SUPPORT of
SB 1396, SD3, HD2

RELATING TO ECONOMIC DEVELOPMENT.

Chair Yamashita, Vice Chair Takenouchi, and members of the Committee, the Hawai'i State Energy Office (HSEO) supports SB 1396, SD3, HD2, an Administration measure, which beginning on January 1, 2027, amends the Transient Accommodations Tax (TAT) rate, assesses the TAT on cruise ship cabins based on the total time the cruise ship is docked at any port in the State, and appropriates funds to the Department of Land and Natural Resources (DLNR) for protection, management, and restoration of the State's natural resources as well as for environmental stewardship, climate and hazard mitigation, and sustainable tourism.

HSEO concurs with the Legislature's finding that immediate investments in projects relating to environmental stewardship, climate and hazard mitigation, and sustainable tourism are needed to protect Hawai'i's economy and people. HSEO believes dedicated special funds are a direct and efficient mechanism for state agencies to finance, procure, and build government infrastructure projects. With a balanced approach, HSEO believes the TAT is an appropriate and effective vehicle to fund such investments given their long-term benefits to Hawai'i's visitor industry.

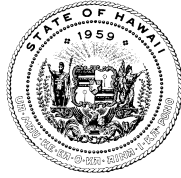
Every resident, business, visitor, and service in Hawai'i is impacted by major infrastructure disruptions caused by climate events. Coastal and community resilience

requires coordination between all sectors. HSEO advocates for the funds to be made available to multiple departments to execute projects that fall within their purviews. HSEO stands ready to support the agencies and entities tasked with investment of these needed funds; particularly those projects related to energy and transportation resilience.

As this is a fiscal issue, we defer to the appropriate agency for comment.
Thank you for the opportunity to testify.

JOSH GREEN, M.D.
GOVERNOR
STATE OF HAWAII
*Ke Kia 'āina o ka Moku'āina 'o
Hawai'i*

SYLVIA J. LUKE
LT. GOVERNOR
STATE OF HAWAII
*Ka Hope Kia 'āina o ka Moku'āina
'o Hawai'i*



KALI WATSON
CHAIRPERSON, HHC
Ka Luna Ho'okele

KATIE L. DUCATT
DEPUTY TO THE CHAIR
Ka Hope Luna Ho'okele

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

Ka 'Oihana 'Āina Ho'opulapula Hawai'i

P. O. BOX 1879
HONOLULU, HAWAII 96805

**TESTIMONY OF KALI WATSON, CHAIR
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON FINANCE
HEARING ON APRIL 2, 2025 AT 3:30PM IN CR 308**

SB 1396, SD3, HD2, RELATING TO ECONOMIC DEVELOPMENT

April 2, 2025

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

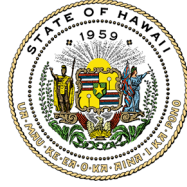
The Department of Hawaiian Home Lands (DHHL) submits testimony in **support with amendments** on this bill which 1) amends the Transient Accommodations Tax rate beginning on 1/1/2027, 2) assesses the Transient Accommodations Tax on cruise ship cabins based on the total time the cruise ship is docked at any port in the State 3) appropriates funds to DLNR for protection, management, and restoration of the State's natural resources as well as for environmental stewardship, climate and hazard mitigation, and sustainable tourism.

DHHL requests an appropriation of funds in line with the Hawai'i Climate Advisory Team Policy Recommendations on Climate Disaster Resilience, Recovery and Funding (CAT Policy Paper) as DHHL is identified along with DLNR as an appropriate agency to implement thriving environment near-term recommendations. The CAT Policy Paper specifically notes the following: "The Department of Hawaiian Home Lands, which manages over 180,000 acres of non-residential lands and has never been appropriately funded to manage from a conservation and natural disaster prevention lens, must also play a critical role. Second only to DLNR in number of acres managed, DHHL's corpus includes significantly at-risk lands, such as arid environments at high risk for wildfire." The CAT Policy Paper in a footnote further explained that "while the CAT applauds the state for its recent historic funding for DHHL, we also understand that such funds are intended to increase the department's housing supply, and in so doing transition thousands of qualified native Hawaiians from its waitlist to long-term residential leases. In order to reduce extreme weather risk for these communities and the many non-DHHL communities adjacent to DHHL land, the department also requires additional funding and capacity to manage its lands." Information on DHHL's ongoing Wildfire Mitigation Initiatives can be viewed here: <https://dhhl.hawaii.gov/wildfire-mitigation-initiatives/>.

DHHL's General Plan Update that can be viewed here:
https://dhhl.hawaii.gov/wp-content/uploads/2022/12/221123-DHHL-General-Plan-Final-Draft_Adopted.pdf sets forth the Vision for 2040 as follows: "By 2040, the Hawaiian Home Lands Trust and its beneficiaries will be thriving, self-sufficient, and connected to one another and the 'āina." One of the guiding principles or broad themes that articulate the key values important to beneficiaries, DHHL, and the Hawaiian Home Lands Trust in DHHL's General Plan Update is "Mālama 'Āina: Cultivate reciprocity and shared kuleana to mālama 'āina and kai through providing access to Trust lands for the practice of Hawaiian knowledge, skills and values. Manage and steward Trust lands to sustain health, resilience, and abundance for future generations by obtaining dedicated staff within the Department for natural resource management."

Thank you for your consideration of our testimony.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF DEFENSE
KA 'OIHANA PILI KAUA
HAWAI'I EMERGENCY MANAGEMENT AGENCY
4204 DIAMOND HEAD ROAD
HONOLULU, HAWAI'I 96816-4420

STEPHEN F. LOGAN
MAJOR GENERAL
ADJUTANT GENERAL
KA 'AKUKANA KENELALA

JAMES DS. BARROS
ADMINISTRATOR OF
EMERGENCY MANAGEMENT
KAHU HO'OMALU PŌULIA

STATE OF HAWAI'I
DEPARTMENT OF DEFENSE
HAWAI'I EMERGENCY MANAGEMENT AGENCY

TESTIMONY ON SENATE BILL 1396 SD3 HD2,
RELATING TO ECONOMIC DEVELOPMENT

BEFORE THE HOUSE COMMITTEE ON
FINANCE

BY

JAMES DS. BARROS
ADMINISTRATOR
HAWAI'I EMERGENCY MANAGEMENT AGENCY

APRIL 2, 2025

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

Thank you for the opportunity to submit testimony to **SUPPORT** Senate Bill 1396 SD3 HD2.

The Hawai'i Emergency Management Agency supports this bill as it provides crucial funding for resiliency and climate mitigation projects, which are vital for preparing Hawai'i for increasingly frequent and severe climate impacts. HIEMA endorses any initiative that aims to strengthen and bolster the resilience of real properties within the communities of Hawai'i.

By establishing dedicated funds, this measure ensures that the state can take swift and coordinated action to protect communities. This bill will reinforce Hawai'i's ability to prepare for and respond to climate-induced disasters, safeguarding public safety and minimizing future costs from climate-related damage.

This measure prioritizes climate resiliency in economic development projects, further ensuring that the state's infrastructure and tourism industries are better equipped to

withstand future climate challenges; hence, HIEMA supports this measure, with the understanding that its passage will not negatively impact the priorities outlined in the Executive Budget.

Thank you for the opportunity to provide testimony supporting Senate Bill 1396 SD3 HD2.

James Barros: james.barros@hawaii.gov; 808-733-4300



COMMITTEE ON FINANCE

Rep. Kyle T. Yamashita, Chair
Rep. Jenna Takenouchi, Vice Chair

DATE: Wednesday, April 2, 2025
TIME: 3:30 p.m.

Strongly Oppose SB1396

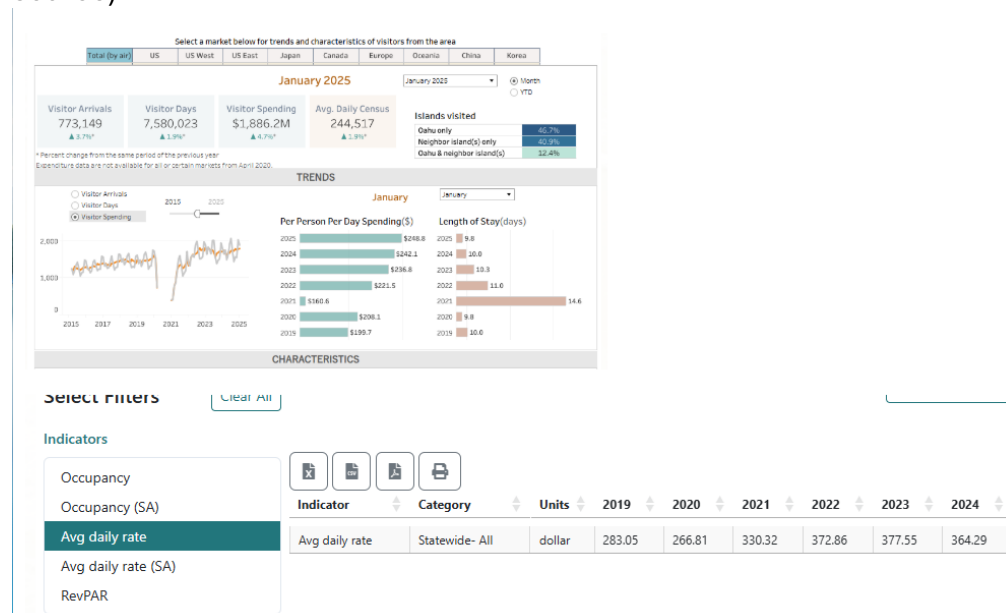
Aloha Chair Yamashita, Vice Chair Takenouchi, and committee members,

My name is Antoinette Davis. It has been my honor to represent the Activities and Attractions Association of Hawaii (A3H), a not-for-profit 501 (c) (6) trade organization, as its executive director since 1997 (28 years). **A3H strongly opposes SB1396 increase to TAT due to the detrimental impact this will have on Tourism's most vulnerable small businesses.** We do not, however, oppose the state collecting TAT voids – e.g., trades/points and cruise ships.

C

While it is commendable and prudent to plan for the future and address climate concerns, we must approach this issue with a balanced perspective that considers both environmental impacts (in the future) and the affordability of a vacation in Hawaii (in the present). Increasing the Transient Accommodation Tax (TAT) will impose a significant financial burden on visitors, further pricing Hawaii vacations out of reach for many more and reducing the amount of money those who can afford to visit spend on other items.

Currently, Hawaii has the highest tax on admissions (TAT) in the nation, and evidence from 2023 and 2024 suggests that higher taxes lead to reduced spending by visitors in other areas rather than an increase in their overall expenditure per trip. The Governor's office will argue that visitor expenditures have increased. Visitor expenditures include hotel spend. The hotel's ADR has gone up significantly since COVID-19. ADR in 2019 \$ 283.05 for the State – 2024 \$364.29, a change of **\$81.24** a night/per stay/per visitor. (DBEDT source)





This trend suggests that while we strive for sustainable tourism, we must also ensure that our local economy remains robust and our visitor experience remains enjoyable. A3H is committed to fostering collaboration among industry stakeholders to explore innovative strategies that harmonize environmental sustainability with economic vitality. We invite open dialogue on how we can achieve this balance together.

As the costs of air, hotels, and rental cars increase, attractions, activities, retail, and restaurants receive an increasingly smaller share of the visitors' spending. Increasing the TAT will only exasperate this problem even more. This Bill will harm small businesses, resident-owned businesses, and businesses whose profits remain within the local economy.

Mahalo, thank you for your time, consideration, and opportunity to testify.



HOUSE COMMITTEE ON FINANCE

APRIL 2, 2025

SB 1396, SD3, HD2, RELATING TO ECONOMIC DEVELOPMENT

POSITION: SUPPORT

Coalition Earth **supports** SB 1396, SD3, HD2, relating to economic development, which amends the Transient Accommodations Tax rate beginning on 1/1/2027; assesses the Transient Accommodations Tax on cruise ship cabins based on the total time the cruise ship is docked at any port in the State; and appropriates funds to DLNR for protection, management, and restoration of the state's natural resources as well as for environmental stewardship, climate and hazard mitigation, and sustainable tourism.

According to a report produced by the Hawai'i Climate Change Mitigation and Adaptation Commission, global sea levels could rise more than three feet by 2100, with more recent projections showing this occurring as early as 2060. In turn, over the next 30 to 70 years, approximately 6,500 structures and 19,800 people statewide will be exposed to chronic flooding. Additionally, an estimated \$19 billion in economic loss would result from chronic flooding of land and structures located in exposure areas. Finally, approximately 38 miles of coastal roads and 550 cultural sites would be chronically flooded, on top of the 13 miles of beaches that have already been lost on Kaua'i, O'ahu, and Maui to erosion fronting shoreline armoring.

As we work to reduce carbon emissions and stave off the worst consequences of climate change, we must begin preparing for the adverse impact of sea level rise on our shores. We are now quantifying the speed at which we must act. We cannot continue to develop the 25,800-acre statewide sea level rise exposure area—one-third of which is designated for urban use—without risking massive structural damage and, potentially, great loss of life.

Just two years ago, we witnessed the impact of the climate emergency on our shores. On August 8, 2023, wildfires swept across Maui and killed at least 100 people, making it one of the nation's deadliest natural disasters. The spread of the fires has been attributed to climate change

conditions, such as unusually dry landscapes and the confluence of a strong high-pressure system to the north and Hurricane Dora to the south. The wildfires destroyed over 2,200 structures, including numerous residential buildings, historic landmarks, and school facilities. In September 2023, a report from the United States Department of Commerce estimated the total economic damage of the wildfires to be roughly \$5.5 billion. Investing in renewable energy generation could not be more urgent, given the growing threat of climate catastrophes to our island home.

Therefore, **our state should take steps to accelerate our transition to a clean energy economy and continue our fight against climate change, including by implementing “green fees” that ensure our state’s visitors pay their fair share to sustain our ‘āina.** In 2019, Conservation International published a report on our need to boost funding to defend our islands’ natural resources. Entitled “Green Passport: Innovation Financing Solutions for Conservation In Hawai‘i,” the report concluded that the state has an annual spending gap of \$358 million to sufficiently manage its natural environment. **A 2024 update to this figure for the Care for ‘Āina Now Coalition found that the gap has ballooned to \$580 million,** while our natural and cultural resources provide over \$6 billion in value to our economy each year.

New Zealand, the Maldives, Cancun, and Venice, and numerous other countries have green fee programs for visitors, which vary from \$1 per night to a \$100 entrance fee for the purpose of environmental conservation. **Palau’s per-tourist investment in its natural environment is \$92, New Zealand’s is \$188, and the Galapagos Islands’ is \$373. Hawai‘i’s is just \$9 per tourist,** according to the Green Passport report. We need to catch up.

We are facing a similar gap when it comes to generating sustainable revenue to combat the worst effects of the climate emergency. In June of last year, the state reached a settlement agreement in the landmark case of *Navahine v. Hawai‘i Department of Transportation*, in which Gov. Josh Green acknowledged the constitutional rights of Hawai‘i’s youth to a life-sustaining climate and confirmed the commitment by HDOT to plan and implement transformative changes to Hawai‘i’s transportation system to achieve the state’s goal of net-negative emissions by 2045. The agreement included numerous provisions for climate action, such as:

- Establishing a Greenhouse Gas Reduction Plan within one year of the agreement, laying the foundation and roadmap to decarbonize Hawai‘i’s transportation system within the next 20 years;
- Creating a lead unit and responsible positions within HDOT to coordinate the mission of GHG reduction throughout the agency; oversee climate change mitigation and adaptation for the highways program; and ensure implementation of the Complete Streets policy of building and upgrading public highways for all users, ages, and abilities;
- Establishing a volunteer youth council to advise on HDOT mitigation and adaptation commitments in the years to come;
- Improving the state transportation infrastructure budgeting process to prioritize reduction of GHG and vehicles miles traveled (VMT) and transparently analyze and disclose the GHG and VMT impacts of each project and the overall program; and

- Making immediate investments in clean transportation infrastructure, including completing the pedestrian, bicycle, and transit networks in five years, and dedicating a minimum of \$40 million to expanding the electric vehicle charging network by 2030.

On January 28th, Gov. Green issued an executive order to promote and expedite the development of renewable energy in our state. Amidst uncertainty regarding renewable energy policy created by the Trump administration and concerns over grid stability across the state, the order accelerates renewable development for neighbor island communities to hit 100 percent renewable portfolio standards from 2045 to 2035, sets a statewide goal of 50,000 distributed renewable energy installations (such as rooftop solar and battery systems) by 2030, and directs state departments to streamline the permitting of renewable developments to reduce energy costs and project development timelines.

These ambitious actions are essential to the preservation of our state's and our keiki's future. We must ensure that funding is available to meet our obligation to safeguard our planet from the climate catastrophe for generations to come.

Coalition Earth is a nongovernmental organization that works to preserve the well-being of people and our planet. We champion policies that advance climate resilience, clean energy, public health, and economic fairness for working families. Contact us at info@coalitionearth.org.

The Honorable Kyle Yamashita, Chair and
Members of the Committee on Finance

Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813



April 2, 2025

Dear Chair Yamashita,

RE: OPPOSITION TO SB1396 SD3 HD2, RELATING TO ECONOMIC DEVELOPMENT

The Hawaii Mid- and Short-Term Rental (HIMAST) Alliance represents property owners and operators contributing to Hawaii's visitor industry while advocating for fair, responsible, and sustainable tourism policies. While we fully support fiscal responsibility and long-term climate resilience, we oppose SB1396 SD3 HD2 because it proposes an undefined tax increase, relies on an unstable and unpredictable revenue source, and lacks a fiscally responsible, transparent funding plan for essential state programs.

1. Undefined Tax Increase: A Lack of Transparency in Fiscal Policy

SB1396 SD3 HD2 does not specify a fixed percentage increase in the Transient Accommodations Tax (TAT), leaving the final amount open-ended to be decided after public testimony has concluded.

- This lack of specificity undermines financial transparency and prevents businesses, residents, and the tourism industry from planning appropriately.
- Undefined tax increases introduce fiscal uncertainty into state budget planning and could lead to unintended economic consequences.
- If the intent is to raise additional revenue, the tax rate should be established in the bill text, allowing for an informed and accountable *public* discussion.

Without a specific rate increase, the Legislature is requesting a blank check from taxpayers, which is not sound fiscal policy.

2. Reliance on Tourism Revenue is an Unstable and Unsustainable Budgeting Strategy

The funding mechanism outlined in SB1396 SD3 HD2 assumes continuous, reliable growth in tourism revenue to fund essential state programs. However, Hawaii's tourism industry is highly vulnerable to external economic and geopolitical factors beyond state control:

- Fuel price fluctuations, tariffs, and global conflicts can increase travel costs, reducing visitor arrivals.
- Economic downturns, recessions, and global competition could make Hawaii less attractive than other destinations.

- Public health emergencies, like COVID-19, showed how fragile Hawaii's economy is when it is overly reliant on tourism as a revenue source.

Responsible fiscal policy requires stable and diversified revenue sources. Tying critical disaster preparedness and climate resilience funding to a volatile industry leaves Hawaii's long-term financial planning vulnerable to significant revenue shortfalls when tourism declines.

3. A More Equitable Revenue Model Should fund Natural Disasters and Climate Resilience

SB1396 SD3 HD2 attempts to address climate resilience and disaster mitigation, which are essential and urgent issues. However, it places the financial burden disproportionately on a single industry—tourism—even though climate disasters affect all residents, businesses, and government operations.

- Natural disasters, such as wildfires, tsunamis, hurricanes, and volcanic eruptions, are not caused by tourism. Yet, this bill assumes that the tourism sector should shoulder the cost of protecting the entire state.
- A more fiscally responsible approach would be to allocate funding through a diversified, stable revenue stream, such as the general fund, bonds, or structured appropriations, rather than relying on fluctuating visitor tax revenue.

A well-planned finance strategy would ensure that Hawaii has a reliable funding source for long-term climate adaptation, independent of year-to-year fluctuations in visitor spending.

4. Hawaii's Competitive Position as a Tourist Destination Will Suffer

Hawaii already has one of the nation's highest transient accommodation tax rates. Hawaii's economic strategy should focus on strengthening financial sustainability without deterring the very industry that supports state revenue.

For the reasons stated above, the HIMAST Alliance opposes SB1396 SD3 HD2.

- Tax increases must be explicitly defined in the bill text to ensure fiscal transparency.
- Critical disaster preparedness and climate resilience funding must come from a stable, diversified revenue source, not one that fluctuates with tourism trends.
- A long-term financial strategy should be developed to support climate initiatives without creating new economic risks for Hawaii.

Hawaii's financial future requires responsible, transparent, and stable revenue planning—this bill does not meet those standards.

Thank you for your time and consideration.

Respectfully Submitted,
Jennifer Wilkinson, JD/MBA
President and Executive Director, HIMAST Alliance

SB-1396-HD-2

Submitted on: 3/31/2025 6:47:11 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
laurel brier	Kauai Climate Action Coalition	Support	Written Testimony Only

Comments:

STRONG SUPPORT with amendments. People who come to visit Hawaii and appreciate its fabulous natural beauty want to help preserve it. With the looming loss of federal funds for climate resilience and mitigation we must find other resources for this most important challenge before us.



OSTRA

O'AHU SHORT-TERM
RENTAL ALLIANCE

The Honorable Kyle Yamashita, Chair and
Members of the Committee on Finance

Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

April 2, 2025

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Responsible fiscal policy requires stable and diversified revenue sources. Tying critical disaster preparedness and climate resilience funding to a volatile industry leaves Hawaii's long-term financial planning vulnerable to significant revenue shortfalls when tourism declines.

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- A long-term financial strategy should be developed to support climate initiatives without creating new economic risks for Hawaii.

Hawaii's financial future requires responsible, transparent, and stable revenue planning—this bill does not meet those standards.

Thank you for your time and consideration.

Respectfully Submitted,

Kelly A. Lee

President and Executive Director, OSTR



Testimony Before The
House Committee on Finance (FIN)
IN SUPPORT OF SB1396 SD3 HD2

April 2, 2025, 3:30 p.m., Room 308 Via Videoconference

We are Olan Leimomi Fisher and Kevin Chang, Kua'āina Advocate and Executive Director, respectively, testifying on behalf of [Kua'āina Ulu 'Auamo \(or KUA\)](#). "Kua'āina Ulu 'Auamo" stands for "grassroots growing through shared responsibility," and our acronym "KUA" means "backbone." **Our mission is to connect and empower communities to improve their quality of life through the collective care for their biocultural (natural and cultural) heritage, serving as a "backbone organization" that supports creative, community-driven solutions to problems stemming from environmental degradation.** Hawai'i's biocultural resources continue to be negatively impacted by political, economic, and social changes, and the increasing dangers of climate change make fostering and empowering resilient communities acutely critical.

Currently KUA supports three major networks of: (1) over 40 mālama 'āina (caring for our 'āina or "that which feeds") community groups collectively referred to as E Alu Pū (moving forward together); (2) over 60 loko i'a (fishpond aquaculture systems unique to Hawai'i) and wai 'ōpae (anchialine pool systems) sites in varying stages of restoration and development, with numerous caretakers, stakeholders, and volunteers known as the Hui Mālama Loko I'a ("caretakers of fishponds"); and (3) the Limu Hui made up of over 50 loea (master experts) and practitioners in all things "limu" or locally-grown "seaweed." **Our shared vision is to once again experience what our kūpuna (ancestors) referred to as 'ĀINA MOMONA – abundant and healthy ecological systems that sustain our community resilience and well-being.**

KUA supports SB1396 SD3 HD2 with comments, as a step towards 'āina momona.

This bill would amend the Transient Accommodations Tax (TAT), assess TAT on cruise ship cabins, and appropriate funds to the Department of Land and Natural Resources (DLNR) for protection, management, and restoration of the State's natural resources as well as for environmental stewardship, climate and hazard mitigation, and sustainable tourism. We appreciate that the preamble of this bill acknowledges that "the community" is a key player and partner with the Department of Defense and others "to provide for the safety, security, and wellbeing of Hawaii's places and people."

However, missing from SB1396 SD3 HD2 is the understanding and recognition that Native Hawaiian cultural values and stewardship practices already hold many of the solutions to prevent and mitigate the climate crisis. Engaging our local communities in direct environmental management and governance, often in collaboration with our state agencies, is key to overcoming the many challenges of our changing climate. As such, **if this measure is passed, we strongly urge that a dedicated portion of the proposed TAT percentage specifically support and empower Native Hawaiian and local community-led partners as essential players with governmental agencies and/or private businesses in restoring, protecting, and caring for our shared biocultural resources.**

We appreciate the necessary, creative, and collaborative approaches our state supports that build up our incoming generations with intention, and in a way that benefits ongoing community efforts to support ecosystem regeneration. The communities we work with are committed to ensuring the long-term health of our biocultural resources. They have depended on them for generations. **We believe our environment, the foundation of our very existence, is about long-term investment and a vision of ‘āina momona.** To get there it requires greater self-sufficiency including development of innovative and sustainable career pathways, mindsets, relationships, and resource flows for mālama ‘āina efforts led by the communities doing the work on the ground. Passing this bill out of your Committee will open an essential ‘auwai system toward reaching this vision.

Mahalo nui loa for considering our testimony. Please **PASS** SB1396 SD3 HD2.

Aloha ‘Āina Momona no nā kau ā kau.

SB-1396-HD-2

Submitted on: 3/31/2025 8:55:53 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jason Eisert	Kona Kai LLC	Oppose	Written Testimony Only

Comments:

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Jason and I rely on Hawaii's tourism industry to support my family and my business. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry. TAT tax, and other taxes on the tourism industry are already too high.

Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.
Sincerely,

Jason Eisert



To: The Honorable Representative Kyle Yamashita, Chair, the Honorable Representative Jenna Takenouchi, Vice Chair, and Members of the Committee on Finance.

From: Hawaii Reef and Ocean Coalition and Climate Protectors Hawai'i (by Ted Bohlen)

Re: Hearing **SB1396 SD3 HD2 RELATING TO ECONOMIC DEVELOPMENT**

Hearing: Wednesday April 2, 2025 3:30 p.m. Rm.308

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee on Finance!

Hawai'i Reef and Ocean Coalition (HIROC) is a group of scientists, educators, filmmakers and environmental advocates who have been working since 2017 to protect Hawaii's coral reefs and ocean. The Climate Protectors Hawai'i seeks to educate and engage the local community in climate change action.

Hawai'i Reef and Ocean Coalition and Climate Protectors Hawai'i **STRONGLY SUPPORT SB1396 SD3 HD2!**

Hawai'i is experiencing a **climate emergency! The effects of climate heating are here now and will increase in the future!** From the rain bomb in Haena to the catastrophic fire in Lahaina, to droughts, floods, more intense storms, coral bleaching, brown water pollution, and more invasive species, **climate heating will necessitate greater reserves for the increased level of disasters. We need to invest now in efforts to limit and adapt to climate effects and become more resilient against both current and future climate impacts.**

This bill would amend the Transient Accommodations Tax (TAT) rate on 1/1/27 and assess the TAT on cruise ship cabins based on the total time the cruise ship is docked at any port in the State. The bill would appropriate funds to DLNR for protection, management and restoration of the State's natural resources and for environmental stewardship, climate and hazard mitigation, and sustainable tourism.

Keeping our natural resources pristine and healthy is essential to attract visitors to our islands. Polling has shown strong and persistent support for a visitor fee to fund the maintenance of natural resources. **It is not clear that an extra TAT charge will deter many tourists from coming to Hawaii, but failure to keep up our natural resources surely will! We have been underfunding natural resource protection by at least \$560 million per year. Moving to eliminate this funding gap will make us more resilient, save our State millions of dollars in disaster recoveries, create jobs, and sustain our economy.**

It is critical that the funding for natural resource protection be kept in a **dedicated fund**, not be diverted for other purposes. The funding should also provide **grants to community-driven projects for resilience, adaptation, indigenous knowledge solutions, and stewardship.**

Please pass this bill with dedicated funding to mitigate the impacts of climate heating, make Hawaii more resilient, and preserve the natural resources jewel that draws millions to Hawaii each year!

Mahalo!

Hawai'i Reef and Ocean Coalition and Climate Protectors Hawai'i (by Ted Bohlen)



P.O. Box 1662
Honolulu, HI 96806

Mālama Learning Center is a non-profit organization based in West Oahu. Our mission is to inspire communities to care for Hawai'i by perpetuating conservation, culture, and sustainability through education.

TESTIMONY IN SUPPORT OF SB1396 SD3 HD2

House of Representatives
Finance Committee

Hearing Date: April 2, 2025 at 3:30 pm
Conference Room 308 & Via Videoconference

Aloha Chair, Vice Chair, and Members of the Committee,

Aloha Kākou. My name is Pauline Sato and I serve as the Executive Director of the Mālama Learning Center, a private, non-profit environmental education organization serving schools and communities in West O'ahu. I am submitting written testimony in strong support of SB1396 SD3 HD2, which aims to increase the transient accommodations tax and dedicate the additional funding towards environmental stewardship, and the care of our biocultural resources that sustain Hawai'i.

I am born and raised in Hawai'i and have dedicated my career to conservation because I love our lands and waters to no end. Sadly, I see how our government has been consistently underinvesting in our 'āina. We see invasive species, fires, floods, coral bleaching, and erosion harming the places we love and the places that sustain our visitor industry. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai'i. It is logical to ask visitors to help contribute to caring for the environment they enjoy during their stay, and the TAT offers an existing program to do so.

More than 12 years ago, I had the good fortune of visiting the Republic of Palau and was immediately impressed with their innovative version of a green fee. Visitors certainly did not hesitate to go there because of a fee that was less than 5% of the cost of airfare alone. The green fee in Palau continues to help the government and non-profit organizations manage their natural and cultural resources – it is time that Hawai'i has its own environmental stewardship fee.

2025 polling data show that 85% of repeat visitors support a visitor stewardship fee. More than 75% of visitors feel that an environmental stewardship fee is acceptable, and 25% say that the fee would make them more likely to visit Hawai'i. Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary.

As an amendment to the bill, I would like to see the **inclusion of a community grant program to work in partnership with the Department of Land & Natural Resources to fulfill our stewardship needs.** DLNR cannot do it alone. Let us all pitch in to help. We could do so much more together.

I urge your respective committees to pass this bill and thank you for the opportunity to testify. I am hopeful that this is the year that Hawai'i gets its own environmental stewardship fee! Mahalo for the opportunity to testify,

Aloha, 

SB-1396-HD-2

Submitted on: 4/1/2025 7:05:38 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Louise Amicone	Serendipity Associates	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and

Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 2, 2025 OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

Our business relies on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Louise Amicone



Maui Hotel & Lodging
ASSOCIATION

COMMITTEE ON FINANCE

Rep. Kyle T. Yamashita, Chair

Rep. Jenna Takenouchi, Vice Chair

April 1st, 2025

Testimony in STRONG OPPOSITION to SB1396 SD3 HD2

Aloha Chair Yamashita, Vice Chair Takenouchi and Committee members,

I am writing on behalf of the Maui Hotel and Lodging Association to express our **strong opposition** to SB1396 SD3 HD2, which proposes an increase in the Transient Accommodations Tax (TAT). While we fully recognize the urgent need to address climate change and invest in disaster preparedness, we believe that the proposed hike in the TAT would have devastating effects on Maui's struggling tourism industry.

Maui's visitor numbers and spending have been notably low, and our local businesses are already facing extremely challenging economic conditions. At this critical time, the tourism industry is still working to recover from past disruptions, and an increase in the TAT would only serve to further hinder that recovery.

Hawaii already carries the distinction of having the highest tourism tax rates in the nation. Raising the TAT at this juncture would further diminish our competitiveness in the global tourism market, putting us at a disadvantage compared to other destinations. While we wholeheartedly support efforts to address climate change and enhance economic resilience, we urge that alternative funding mechanisms be explored to avoid the potential harm that this tax increase would cause to Maui's economy and the livelihood of those who depend on tourism.

We appreciate your consideration of our concerns and respectfully request that SB1396 SD3 HD2 be revisited with an eye toward balancing necessary environmental efforts with the realities facing our local economy.

John Pele

Executive Director- Maui Hotel and Lodging Association

Hawaii State House of Representatives
Committee on Finance

Wednesday, April 2, 2025, 3:30 pm

SB1396, Relating to Economic Development
Testimony - Comments

To: Rep. Kyle Yamashita, Chair, House Finance Committee

From: Cruise Lines International Association

Re: Comments – SB1396, HD2 RELATING TO ECONOMIC DEVELOPMENT

Aloha Chair Dela Cruz and members of the Committee:

My name is Michael McGarry, Senior Vice President, Government Affairs for Cruise Lines International Association (CLIA). CLIA is a nonprofit trade association representing oceangoing cruise line members across the world. In Hawaii, member lines work to promote the islands and provide economic opportunities across the state in Honolulu, Hilo, Kailua-Kona, Kahului, Lahaina and Nawiliwili.

CLIA respectfully supports the intent of SB1396, HD2 Relating to Economic Development. We recognize the importance of preserving Hawaii's natural environment for future generations and enhancing the State's ability to address climate resiliency which is why cruise lines are investing in the development of innovative technologies and practices onboard such as advanced wastewater treatment systems, water conservation and programs to repurpose and reduce waste.

To that end, SB1396, HD2 seeks to establish a funding mechanism to address environmental impacts from visitors to Hawaii through an expansion of the Transient Accommodations Tax (TAT) to include the cruise industry as well as an increase to the current TAT rate. However, application of this tax to cruise ship cabins violates the *Tonnage Clause* of the *US Constitution* as well as federal law, 33 U.S.C. § 5(b)(2).

33 U.S.C. § 5(b)(2)

No taxes, tolls, operating charges, fees, or any other impositions whatever shall be levied upon or collected from any vessel or other water craft, or from its passengers or crew, by any non-Federal interest, if the vessel or water craft is operating on any navigable waters subject to the authority of the United States, or under the right to freedom of navigation on those waters, except for —...

(2) reasonable fees charged on a fair and equitable basis that —

- (A) are used solely to pay the cost of a service to the vessel or water craft;*
- (B) enhance the safety and efficiency of interstate and foreign commerce; and*
- (C) do not impose more than a small burden on interstate or foreign commerce.*

Federal courts (including the Supreme Court) have consistently ruled for over a century that fees or taxes imposed on vessels by non-federal entities are prohibited.

CLIA member lines currently pay “passenger fees” in addition to numerous existing DOT-Harbors administered tariffs and fees, including port entry fees, dockage fees for vessels, pipeline tolls and bunkering charges among many others. In 2023, the cruise industry contributed \$443 million to Hawaii's GDP and supported 4,200 jobs, with a total economic impact of \$990 million in the state.

We strongly urge the committee to ensure that taxes and fees proposed under the measure are allowable under federal law and do not expose the state to potential liability or risk of legal challenge.

For these reasons, we respectfully request that the committee amend this measure to avoid conflicts with federal law.



**House Committee on Finance
Wednesday, April 2, 2025
Testimony in Strong Support of S.B. 1396, Relating to Economic Development**

Aloha Chair Yamashita, Vice Chair Takenouchi, and Honorable Members of the House Committee on Finance,

Mahalo for the opportunity to testify in **strong support** of **S.B. 1396, Relating to Economic Development**. If enacted, this bill would establish a dependable mechanism for the funding of critical, public-safety oriented conservation, as well as improvements to the built environment, which are necessary to protect our islands and people from the extreme weather risks that come with a warming world.

Kupu is a statewide nonprofit founded and headquartered in Hawai‘i, providing youths and young adults with opportunities to learn, serve, and work in ways that restore environments and communities. As an organization that helps people transform their love for the environment into a professional career, it gives us hope to see legislation like S.B. 1396 progress through the state legislature.

If enacted, this legislation could provide durable, dependable funds needed to help Hawai‘i rise to the challenges that come with extreme weather shocks, as well as the stressors of climate change. These funds are required to enable the work needed to keep Hawai‘i's public lands healthy; a task made more difficult not only by climate changes, but also by the millions who visit our islands. The current volume of visitors, however well-intended, make the management of state trails, fresh waters, forests, and shorelines more complex and challenging. We see at Kupu, through the work of hundreds of youths and young adults in our programs, that Hawai‘i has no shortage of people who are willing to make caring for ‘āina their profession. We do, however, have a shortage of funds. By investing in their future and giving them the opportunity

to do the work that needs to be done, we also create positive economic impacts, all the while preserving the safety and quality of life upon which residents and visitors both rely.

Recently released public polling has shown us that most past and likely visitors to Hawai‘i would not be deterred by requirements to contribute financially to Hawai‘i's environment. In fact, one in four say they are more (not less) likely to visit if such a requirement was in place. Let’s make Hawai‘i a more desirable destination for these kinds of visitors, who understand that Hawai‘i is a place worth caring for, and who want to be part of the solution.

The ‘ōlelo no‘eau, "Ho‘okahi nō lā o ka malihini," a stranger for only a day, speaks to the cultural norm that after a day of being welcomed by kama‘āina or hosts, visitors are invited into the work needed to care for the place they have come to. In this case it is our community, especially our youths, who are ready to do the work; but funding is needed. Our hospitality is meant to be responded to with reciprocity; this is the cycle that keeps aloha sustainable. While a fee of this nature is just one step in that direction, it is an important one.

Mahalo hou, thank you again, for the opportunity to testify in **strong support** of **S.B. 1396, Relating to Economic Development.**

E Mālama Pono,

Kāwika Riley

Vice President, External Affairs
Kupu



Care for 'Āina Now Coalition in Support of an Environmental Stewardship Fee

Testimony in Support of SB1396 HD2 House Committee on Finance

Aloha Chair Yamashita, Vice Chair, and Members of the Committee,

This coalition is made up of local businesses, community groups, and nonprofits organizations who have supported dedicated funding for our 'āina for many years. We are writing in **strong support of SB1396, a measure that would invite visitors to contribute to climate resiliency, public safety, and economic opportunity through an increase to the Transient Accommodations Tax.** The Care for 'Āina Now Coalition mission is to enhance visitor stewardship, conserve our cultural and natural resources, and invest in our 'āina to keep our community safe.

As community members across Hawai'i, we've seen the consequences of underinvesting in natural resources over time. Fires, floods, brown water pollution, and coral bleaching are all symptoms of this underinvestment. An updated assessment published in December 2024 showed a \$560 million annual funding gap in our current stewardship investment. This growing gap creates vulnerabilities for community safety and economic opportunities, especially when natural disasters strike in our backyards. **Each investment in resilience, environmental health, and collaborative stewardship saves our state costs in the long term and protects the resources that underpin our economy.**

There is immense public support for this initiative. A January 2025 polling of visitors show that two-thirds of visitors support a \$50 annual fee, half of them say a fee would not deter them from visiting Hawai'i, and a quarter of them are more likely to visit Hawai'i with an enacted fee. This initiative will not impact our visitor sector negatively, it will enhance it.

We applaud the leadership of the committee for continuing to progress this bill. However, we recommend the inclusion of an additional policy element to strengthen the equity and impact of the measure.

1. **Granting mechanism:** A shared revenue distribution model for a visitor stewardship fee is imperative. The specific inclusion of a community grant program that dedicated at least 50% of annual revenue toward the groups working on the frontlines of mālama 'āina work in Hawai'i is essential. When it comes



to this crucial work, we have leaders with lifelong expertise who have dedicated their careers to specific stewardship solutions. As the fund prioritizes projects, these partners can support DLNR in implementation. **We urge the committee to include a dedicated community grant program for project selection.**

This coalition, which works on the frontlines of natural and cultural resource management across the State, applauds the legislature for considering diverse solutions to this complex problem, and urges you all as leaders to pass an environmental stewardship fee this session.

These community groups, organizations and businesses support funding for 'āina, resilience, restoration, protection, management, and stewardship solutions for the communities of Hawai'i

1. Agripelago
2. Blue Planet Foundation
3. Benioff Ocean Science Laboratory
4. Care About Climate
5. Citizens' Climate Lobby Hawai'i
6. Conservation Council for Hawai'i
7. Conservation International
8. Conservation Council of Hawai'i
9. Coral Reef Alliance
10. Council for Native Hawaiian Advancement
11. Delphi Cinema
12. Excurinsure
13. Everblue
14. Fish Pono–Save Our Reefs
15. Friends of Hanauma Bay
16. Full Circle Farm
17. FutureSwell
18. Good Food Movement
19. Hanalei Initiative



20. Hawai'i Alliance for Community-Based Economic Development (HACBED)
21. Hawai'i Alliance for Progressive Action (HAPA)
22. Hawai'i Environmental Change Agents
23. Hawai'i Green Growth
24. Hawai'i Impact Collaborative
25. Hawai'i Land Trust
26. Hawai'i Reef and Ocean Coalition
27. Hawai'i Wildlife Fund
28. Hawai'i Youth Climate Coalition
29. Kailua Beach Adventures
30. Kauai Climate Action Coalition
31. Kauai Farm Planning
32. Kanu Hawai'i
33. Kingdom Pathways
34. Kua'āina Ulu 'Auamo (KUA)
35. Kuleana Coral Restoration
36. Kupu
37. Limahuli Garden and Preserve
38. Leftover Love Co
39. Mālama Huleia
40. Mālama Learning Center
41. Mālama Maunalua
42. Mālama Pūpūkea-Waimea
43. Maui Ocean Center
44. Maui Ocean Center Marine Institute
45. National Tropical Botanical Garden
46. Native Ecosystem Services
47. The Nature Conservancy
48. North Shore Community Land Trust
49. Papahānaumokuākea Marine Debris Project



50. Parley for the Oceans
51. Pono Hawai'i Initiative
52. Protea Zero Waste Store
53. Resources Legacy Fund
54. Reuse Hawai'i
55. Surfrider Foundation Hawai'i Chapters
56. Sustainable Coastlines Hawai'i
57. Sustainable Moloka'i
58. Travel2Change
59. Trust for Public Land
60. Waipā Foundation
61. Wai'oli Valley Taro Preserve
62. Wakeful State
63. Wastewater Alternatives & Innovations (WAI)
64. Wild Kids
65. Young Progressives Demanding Action
66. Zero Waste Hawai'i Island

Mahalo for your consideration to protect Hawai'i's natural resources.
Coalition for Care for 'Āina Now

Testimony for SB1396 SD3 HD2, Relating to Economic Development

Senate Committee on Finance

April 1, 2025

Aloha Chair Yamashita, Vice Chair Takenouchi and members of the committee,

Norwegian Cruise Line Holding Ltd (NCLH) is respectfully **opposed** to the language which was amended at the eleventh hour into bill SB1396 SD3 HD2 relating to economic development.

Norwegian Cruise Line is the only cruise line that offers a year-round itinerary in Hawaii with its U.S. Flagged cruise ship, the Pride of America. This home-ported year-round ship, sailing since the early 2000s, brings many positive benefits to both visitors and the maritime industry as a whole. These benefits extend through multiple channels including airports, harbors, local provisions, stevedoring, security personnel, tugboat operators, ground-handlers, and tour operators, while also employing over 900 crew members onboard who each pay state taxes.

NCLH supports environmental sustainability in all destinations we visit worldwide and has a comprehensive and robust shipboard program across the fleet focused solely upon environmental sustainability. Well aware that Hawaii has a fragile ecosystem, we truly understand the need to protect its natural and cultural resources, and carefully manage it for both current and future generations to enjoy.

This bill, in its amended form has added a “cruise ship” to the definition of transient accommodations and a “cruise ship cabin” as lodging that is provided to transient passengers. With this revised definition, transient accommodation tax (TAT) would be levied on the gross rental proceeds and charged to the occupant (passenger) of the transient accommodation.

Although this bill seeks to equalize the furnishing of a room, apartment, suite, single family dwelling, shelter, a hotel, motel, or condominium unit to a cruise ship cabin – this cannot be done. When an individual purchases a cruise ship cabin, it includes sleeping quarters, food, beverages, entertainment, transportation, excursions, fees for dockage, port entry, wharfage, security amongst others. A passenger pays an all-inclusive price for their itinerary which contains many elements – where a guest in a hotel, condominium, single family dwelling simply pays for the accommodation.

However, the most troubling issue related to this amendment is that it is a clear violation of the Tonnage Clause in the United States Constitution. This clause provides that “[n]o State shall, without the Consent of Congress, lay out any Duty of Tonnage.” This clause explicitly prohibits non-federal governments from imposing any tax or fee that serve as a charge for the privilege of entering, staying in, or conducting trade in a port. The United States Supreme Court has consistently ruled that such fees are only

permissible when they are specifically designed to cover the reasonable costs of direct services provided to the vessel itself.

The amendment in SB1396 SD3 HD2 enacts precisely the type of charge prohibited by the Tonnage Clause. It imposes a tax on the gross rental proceeds of furnishing a cruise ship cabin, irrespective of any service rendered to the vessel. The fee is solely applied based on the vessel's presence in a port and in no way supports services related to the vessel.

In addition to the above SB1396 SD3 HD2 contravenes federal statutory law. In 2002, Congress codified the principles of the Tonnage Clause through 33 U.S.C. § 5(b)(2). This statute reads:

“No taxes, tolls, operating charges, fees, or any other impositions whatever shall be levied upon or collected from any vessel or other water craft, or from its passengers or crew, by any non-Federal interest... except for... reasonable fees charged on a fair and equitable basis that—(A) are used solely to pay the cost of a service to the vessel or watercraft; (B) enhance the safety and efficiency of interstate and foreign commerce; and (C) do not impose more than a small burden on interstate, intrastate, or foreign commerce.”

Each of the above three requirements MUST be satisfied for a state or locality to lawfully impose a fee. This bill does not pass any of the three tests as it is written. In reference to (A) the fee is not used “solely to pay the cost of a service to the vessel,” but instead funds broad environmental projects with no relation to vessel operations; (B) the tax does not “enhance the safety and efficiency” of maritime commerce, rather, it introduces a considerable cost to itineraries operating in Hawaii; and (C) the burden on commerce cannot be considered “small”— although the tax percentage is not yet set in this bill, it is highly doubtful that the burden will be inconsequential.

Given the legal challenges that will most certainly ensue if this bill is passed in its current form, we strongly urge you to remove the amendments that expand the definition of transient accommodations to include a cruise ship.

NCLH cannot support it in its current form. Further discussions should be held to specifically consider how the cruise industry can participate in sustainability and climate change within state harbors.

For the reasons outlined above we respectfully ask that you do not advance this bill in its current form.

April 2, 2025, 3:30 p.m.
Hawaii State Capitol
Conference Room 308 and Videoconference

To: House Committee on Finance
Rep. Kyle T. Yamashita, Chair
Rep. Jenna Takenouchi, Vice Chair

From: Grassroot Institute of Hawaii
Ted Kefalas, Director of Strategic Campaigns

RE: TESTIMONY IN OPPOSITION TO SB1396 SD3 HD2 — RELATING TO ECONOMIC DEVELOPMENT

Aloha Chair, Vice Chair and other members of the Committee,

The Grassroot Institute of Hawaii would like to offer its comments **in opposition** to [SB1396 SD3 HD2](#), which would increase the current state transient accommodations tax rate by an undetermined amount and assess the TAT on cruise ship cabins based on the total time the cruise ship is docked at a port in the state.

The use of blanks in lieu of amounts for this proposed tax hike makes it difficult to provide meaningful commentary on how the bill might affect Hawaii's residents, economy or state revenues.

Moreover, it is fundamentally unfair to the public to consider or pass blank tax bills. The people have a right to know the rates proposed in any tax bill — especially if it is likely to involve a tax increase.

As for the purported purpose of the bill, like many proposed tax increases, SB1396 HD2 singles out a laudable reason for its revenues — in this case, protecting and restoring the state's natural resources. However, in the context of a significant tax hike, a laudable purpose does not negate the damage that the bill could inflict on Hawaii businesses and the state's economy as a whole.

Support for the TAT is often based on the notion that the tax falls most heavily — or even exclusively — on tourists. However, it also directly affects Hawaii residents who need to stay in local transient accommodations when traveling interisland for work-related or medical reasons or simply seeking to enjoy a "staycation."

Beyond that, a large body of research demonstrates that increasing taxes on tourists can also affect both the competitiveness of Hawaii's tourism industry and the health of local businesses that depend upon tourism dollars — which means the tax affects most, if not all, Hawaii residents, albeit in some cases indirectly.

A 2017 European Union study on the impact of taxation on tourism in Europe found that high tourism taxes, passed on to tourists through higher prices, affected the competitiveness of particular destinations.¹ Coastal and leisure destinations in particular were most adversely affected by increases in tourism taxes, especially compared to locations that were more focused on business travelers.

In addition, occupancy taxes such as Hawaii's TAT were singled out as inequitable and especially frustrating to tourists. The EU study recommended that countries that depend heavily on tourism should reduce their tourism taxes in order to increase competitiveness.

Even unique destinations are not immune from the effect of taxation on international arrivals. A study of the Maldives, a country that earns as much as 70% of its revenue from tourism taxes, found that a 10% increase in tourism taxes reduces demand by 5.4%.²

To put it plainly, increasing tourism taxes decreases the number of visitors. Moreover, policymakers cannot assume that tourism taxes will not have an additional effect on visitor spending. It is common sense to assume that tourists will compensate for higher tourism taxes by adjusting their budgets and spending less on dining, activities or shopping.

This is borne out by a study of the effect of an air passenger duty on the budget allocations of United Kingdom tourists. The study found that tourists compensated for the higher taxes by decreasing destination expenditures on items such as accommodations and food.³

Thus, increasing tourism taxes will ultimately hurt Hawaii's restaurants, stores and hotels, as tourists decrease their expenditures to compensate for the state's higher taxes.

This is on top of the fact that Hawaii already has some of the world's highest tourism taxes,⁴ making any additional hike a threat to the continued health of the industry and the businesses that depend on it. Tourism

¹ PricewaterhouseCoopers LLP, "[The Impact of Taxes on the Competitiveness of European Tourism](#)," European Commission, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, October 2017.

² Festus Fatai Adedoyin, Neelu Seetaram and George Filis, "[The Effect of Tourism Taxation on International Arrivals to a Small, Tourism-Dependent Economy](#)," Journal of Travel Research, Vol. 62, Iss. 1, pp. 135-153.

³ Haiyan Song, Neelu Seetaram and Sunh Ye, "[The effect of tourism taxation on tourists' budget allocation](#)," Journal of Destination Marketing and Management, March 2019, pp. 32-39.

⁴ Alison Fox, "[These Cities — Including 3 in the U.S. — Have the Most Expensive Tourist Taxes in the World, Study Shows](#)," Travel + Leisure, Aug. 12, 2022.

is such a critical part of the state's economy that even industries that are not directly linked to tourism are linked to businesses that are.

In addition, as I mentioned earlier, we should not ignore the fact that tourists are not the only ones who pay the TAT. For example, neighbor island residents who stay on Oahu for medical care, or families in need of a temporary dwelling after a natural disaster, must book either a hotel or a short-term rental. Likewise, medical professionals must stay somewhere while temporarily practicing in Hawaii.

In other words, a TAT increase will have a negative effect on the health of the state's tourism industry, its economy and our cost of living in general.

Hawaii residents must already make ends meet while living in the state with the highest cost of living. This is not the time to make Hawaii a more expensive place to live and do business.

As a final thought, please remember that Hawaii's TAT started out in 1986 as a temporary tax at 5% to help fund the Hawaii Convention Center.⁵ Its original purpose has long disappeared, but we still have the tax, and it has only continued to increase through the years. And now we are talking about maybe increasing it again — and by an unstated amount, no less!

It is this kind of tax policymaking that breeds cynicism among Hawaii voters — on two counts: first, by reinforcing the notion that there really is no such a thing as a temporary tax, and second, by leaving the proposed tax-increase rate blank.

Rejecting this bill would remove a threat to Hawaii's economic outlook and help restore public confidence in our lawmakers and the legislative process.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

⁵ Tom Yamachika, "[Erasing An Error of the Past in the Transient Accommodations Tax](#)," Tax Foundation of Hawaii, Oct. 26, 1997.



Care for 'Āina Now Coalition

April 2, 2025

House Committee on Finance
Rep. Kyle Yamashita, Chair
Members of the Committee

Re: The Imperative of Allocating Adequate Funding to Protect Natural Resources
Support SB1396 SD3 HD2, Relating to Economic Development

Aloha kākou,

On behalf of our coalition's leadership committee, we are writing to support SB1396 SD3 HD2 to generate funding for natural resource protection and restoration. The Care for 'Āina Now Coalition is on a mission to enhance visitor stewardship, conserve our cultural and natural resources, and invest in our 'āina to keep our community safe.

While we support the direction of this measure, we wish to work collaboratively with policy leaders to strengthen the potential impact this measure. The Care for 'Āina Now Coalition is composed of individuals and organizations dedicated to improving the management and protection of Hawai'i's natural resources for the benefit of our communities, economy, and environment. While we recognize the intent of this bill and its potential benefits, we also offer recommendations to ensure that it fully meets the urgent needs of our state. The growing impacts of climate change, including wildfires and severe flooding--in addition to the impacts of over-tourism--demand bold action, and we urge the legislature to make meaningful, long-term investments in safeguarding our island home.

At its core, our recommendation is for Hawai'i to significantly increase funding for natural resource management and restoration. Studies indicate that an additional \$560 million annually is required to address the current budget shortfall in protecting our islands from environmental threats. Without adequate investment, we will continue to see devastating wildfires, damaging floods, loss of biodiversity, and degradation of vital ecosystems. This measure represents an opportunity to help close this funding gap and build a more resilient future. However, we encourage the legislature to ensure that the proposed mechanisms in this bill align with the scale of our challenges and provide stable, long-term funding sources. We are requesting that the Fund established by this bill be under the purview of the Department of Land and Natural Resources instead of the Department of Defense and attach it administratively.

In addition, we request that the committee include DHHL, the Office of Hawaiian Affairs, and the Office of Planning and that at-large members to have expertise in climate science, adaptation, or resilience. Hawai'i's natural resources are the foundation of our islands' health, safety, and economic well-being. Clean water, healthy forests, intact coral reefs, and stable coastlines are not luxuries—they are necessities for our survival that protect our communities from wildfire, coastal storm surge, and flooding

and storm-related erosion events. We commend the legislature for its past leadership, particularly in declaring a climate emergency, and urge continued action to implement policies that translate this declaration into concrete solutions.

Legislators have a unique responsibility to enact policies that uphold our ethical duty to protect the environment now and for future generations. We encourage the committee to strengthen this measure by incorporating provisions that ensure transparent and equitable allocation of resources, prioritize community-led conservation efforts, and include accountability measures to track progress. Meaningful collaboration with local organizations and Indigenous knowledge holders will also be key to achieving the bill's goals.

In closing, we appreciate the opportunity to provide these comments on SB1396 SD3 HD2. We urge the legislature to use this measure as a foundation for further action, ensuring that Hawai'i commits the necessary investments to protect our islands. By doing so, we honor our kuleana to safeguard our natural heritage for all who call this place home—now and in the future.

Thank you for the opportunity to comment on this measure.

**Council for Native Hawaiian Advancement
91-1270 Kinoaiki St., Bldg. 1
Kapolei, HI 96707**

Hawai'i State House of Representatives

Committee on Finance

SB1396 – Relating to Economic Development

RE: Support of SB1396

April 2, 2025

The Council for Native Hawaiian Advancement (CNHA) writes in **support of SB1396** to dedicate additional funding towards critical environmental stewardship initiatives. The State need an estimated \$560 million each year at least to effectively care for our natural and cultural resources in Hawai'i. It makes sense to ask visitors to kōkua in caring for the environment they enjoy during their stay, and the TAT offers an existing program to do so.

The Hawai'i State Constitution requires the protection and enforcement of Native Hawaiian rights, including traditional and customary practices that are intrinsically dependent on our threatened natural resources. Native Hawaiian cultural values and stewardship practices already hold many of the solutions to increase climate resilience. It's important that any funding generated from visitors is distributed to solutions that are community-based and facilitate partnerships between community and agencies. This bill uplifts and supports existing community work to mālama 'āina.

Not only would this measure produce results, residents and visitors alike are incredibly supportive of the effort. Polling results found that 95% of Hawai'i voters believe that it is our kuleana to care for the ocean for future generations, and 82% support giving local communities a clear role in managing marine areas. Furthermore, 89% of those surveyed agree that we must increase our investment in our precious land, water, and animals, including our biocultural resources. Previous polling showed 88% of residents support a visitor green fee and, in January 2025, two-thirds of polled visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee. Residents and visitors agree: giving back to the places you visit is more than acceptable, it's necessary.

We have watched the consequences of underinvestment in our 'āina, and we cannot wait another fire, flood, or bleaching season without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. For these reasons, we humbly ask that you **PASS SB1396**.

Me ka ha'aha'a,

Madelyn McKeague

Director of Advocacy, CNHA



**House Committee on Finance
April 2, 2025 at 3:30 PM
Room 308**

Testimony in SUPPORT for SB1396 SD3 HD2

Aloha Chair Yamashita, Vice Chair Takenouchi, and members of the Committees:

The Hawaii Alliance of Nonprofit Organizations (HANO) **supports SB1396 SD3 HD2**, which seeks to increase the Transient Accommodations Tax on visitors to Hawaii to provide critical funding for environmental stewardship, protection, and restoration projects across the state. We also **urge the adoption of an amendment that would establish a community grants program**, administered in partnership with the Department of Land and Natural Resources, to direct funding to community-based nonprofits actively engaged in environmental work throughout Hawaii.

HANO is a statewide, sector-wide professional association of nonprofits that works to strengthen and unite the nonprofit sector as a collective force to improve the quality of life in Hawaii. Since 2006, HANO has been a leading voice for the nonprofit sector, leveraging resources, educating and advocating for policies and practices that promote the professionalism, sustainability, and effectiveness of nonprofits and the communities they serve.

Hawaii's nonprofit organizations play an essential role in preserving our islands' fragile ecosystems, safeguarding cultural resources, and ensuring that future generations can enjoy the natural beauty that makes Hawaii unique. From reforestation and watershed management, to coral reef restoration and sustainable land stewardship, environmental and Hawaiian cultural nonprofits fill critical gaps that government agencies alone cannot address. These organizations are community-driven and possess the local knowledge necessary to implement effective, place-based solutions.

Furthermore, in light of the Federal Administration's efforts to drastically reduce funding for environmental programs and grants, state investment has never been more urgent. Without sustainable funding sources, Hawaii risks losing valuable progress in conservation, habitat restoration, cultural preservation, and climate resilience efforts. By establishing a dedicated community grants program within SB1396, the State can ensure that community-based organizations have the resources they need to continue their essential work, while also fostering strong partnerships between government agencies and the nonprofit sector.

Mahalo for the opportunity to testify in support of SB1396.

Hawai'i Ocean Legislative Task Force



April 2, 2025

Hawai'i State Legislature
House Committee on Finance

Re: Testimony in SUPPORT of SB1396 SD3 HD2, Relating to Economic Development

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

The Ocean Legislative Task Force, a coalition of over 120 individuals and organizations committed to protecting Hawai'i's marine ecosystems, supports SB1396 SD3 HD2, Relating to Economic Development. This bill increases the transient accommodations tax and extends the tax to cruise ship cabins. The revenue generated will be directed to the Department of Land and Natural Resources to support the protection, management, and restoration of the State's natural resources, as well as environmental stewardship, climate and hazard mitigation, and sustainable tourism initiatives.

Hawaii is facing a climate emergency, with rising temperatures, prolonged droughts, and increasingly destructive weather events threatening both its natural ecosystems and its residents. Without immediate and coordinated action, these climate impacts will continue to worsen, leading to severe consequences for public safety, infrastructure, and the economy. This bill provides a necessary framework for investing in climate mitigation and resiliency projects to safeguard the state's future.

Economic development in Hawaii is directly tied to its environment, particularly through tourism and community infrastructure. By establishing the Economic Development and Revitalization Special Fund, this bill ensures that growth and revitalization efforts are sustainable and resilient against climate change. Investing in these areas now will protect Hawaii's economy from climate-related disruptions and create long-term economic opportunities.

Funding these initiatives through an increase in the Transient Accommodations Tax is a strategic approach that places the responsibility on the tourism industry rather than burdening local residents. With Hawaii's tourism industry benefiting from the state's natural beauty, it is both logical and fair to allocate a portion of tourism revenue toward protecting and preserving the very resources that attract visitors. This bill is a necessary step to ensure Hawaii remains a thriving, resilient, and economically stable state for future generations.

Mahalo for the opportunity to testify in support of this important measure.

The Ocean Legislative Task Force advocates for measures that promote funding for natural resource protection and restoration, ocean resources, coral reefs, subsistence fishing, and coastal resilience, and other priorities.



Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Finance Committee,

Food+ Policy **strongly supports SB1396**, which expands the Transient Accommodations Tax (TAT) to cruise ship cabins and increases the tax rate to fund environmental conservation, climate resilience, and sustainable tourism initiatives through the Department of Land and Natural Resources (DLNR).

Hawai'i's economy is directly tied to its natural resources, food systems, and climate resilience. Tourism, agriculture, and local businesses all depend on the health of our land and waters. While cruise ships profit from Hawaii and resource depletion they leave the state and local communities the financial burden. By utilizing our resources, they should contribute their fair share through taxation, just as local businesses and residents do.

By ensuring equitable taxation of cruise ships, SB1396 generates new revenue without increasing the burden on local residents. These funds will:

- Protect Hawai'i's economic drivers by investing in shoreline protection, watershed restoration, and sustainable tourism.
- Support local agriculture and food security by funding conservation initiatives that safeguard freshwater resources and farmland.
- Reduce long-term costs by mitigating climate-related disasters that would otherwise result in higher state expenditures for disaster response and infrastructure repair.

This bill aligns with Hawai'i's long-term financial interests by generating revenue that strengthens our environmental and economic resilience. We urge the committee to **pass SB1396 to protect Hawai'i's future**.

Mahalo for your time,

Food+ Policy

The Food+ Policy internship develops student advocates who learn work skills while increasing civic engagement to become emerging leaders. We focus on good food systems policy because we see the importance and potential of the food system in combating climate change and increasing the health, equity, and resiliency of Hawai'i communities.

In 2025, the cohort of interns are undergraduate and graduate students and young professionals working in the food system. They are a mix of traditional and nontraditional students, including parents and veterans, who have backgrounds in education, farming, public health, nutrition, and Hawaiian culture.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
Wednesday, April 2, 2025 AT 3:30 P.M.

To The Honorable Representative Kyle T. Yamashita, Chair
The Honorable Representative Jenna Takenouchi, Vice Chair
Members of the Committee on Finance

OPPOSE SB1396 SD3 HD2 RELATING TO ECONOMIC DEVELOPMENT

The Maui Chamber of Commerce **OPPOSES SB1396 SD3 HD2** which amends the transient accommodations tax rate; assesses the Transient Accommodations Tax on cruise ship cabins based on the total time the cruise ship is docked at any port in the State; and appropriates funds to DLNR for protection, management, and restoration of the State's natural resources as well as for environmental stewardship, climate and hazard mitigation, and sustainable tourism.

Hawai'i already has a reputation for having the highest visitor taxes of any destination in the world. In addition to taxes on visitor accommodations, visitors are also subject to the general excise tax (GET), rental car fees and taxes on our roads, parking fees at state parks, and other taxes and fees assessed on activity-based businesses, all of which are passed down to the consumer. We have also seen accommodation rates increase, which is impacting visitor spending in other areas. We are hearing from activity companies, restaurants, and other businesses that they are struggling, and a higher TAT would further burden these businesses, leading to reduced spending in industries that rely on the visitor market.

We are deeply concerned about the impact of this measure, particularly the placeholder for a future TAT increase, on our visitor industry. Maui's visitor counts and spending remain low, and many businesses are still struggling to recover. This proposed tax increase could further hinder our economic recovery, which remains below pre-pandemic levels and was severely affected by the August 2023 wildfires.

Lastly, the title of this bill is misleading. It does not promote Economic Development—in fact, it does the opposite by placing additional financial strain on visitors and the local businesses that depend on them.

For these reasons, we **OPPOSE SB1396 SD3 HD2**.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

Thank you for the opportunity to testify on behalf of Hawai'i Appleseed **in support** of Senate Bill 1396, which would increase the transient accommodations tax.

With the threat of massive federal budget cuts, the state must reinforce the funding for its critical programs and services. Addressing the impacts of climate change is also expected to cost Hawai'i billions of dollars for decades to come, requiring the state to raise its revenues through any means available. The DLNR's Climate Advisory Team recommends that the environmental stewardship of public lands should take an investment of \$137.5 million a year.

Hawai'i's tourism industry, particularly major hotels and other visitor accommodations, share some of the responsibility for this issue. One study found that visitor spending accounts for 22 percent of the state's greenhouse gas emissions—at four times the rate for local residents.

The tourism industry benefits directly from Hawai'i's natural beauty, culture, and public infrastructure, to the tune of millions of dollars each year. The transient accommodations tax (TAT) is a way for these companies to pay back into the communities that support them. This increased funding is especially important given the recent federal cuts to conservation, including dramatically decreased funding for the National Park Service.

We support the investment of these funds in the Department of Land and Natural Resources, climate change resiliency, and the general fund. We would also urge the legislature to consider dedicating some of the TAT funds towards the Hawai'ian Home General Loan Fund, a change that was proposed in House Bill 604. This fund primarily supports the development of dwellings and improvements to DHHL land. It also provides assistance for lessees to obtain loans, whether from DHHL itself, government agencies, or private lenders. Given the immediate need to develop more viable housing for DHHL beneficiaries, this provision would be a valuable addition to HB 1077.

Thank you for your consideration.

SB-1396-HD-2

Submitted on: 4/1/2025 1:00:28 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Sonny Cave	Honu Hawaii Home LLC	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair

and Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 1, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

We are the owners of a small Hawaii business, Honu Hawaii Home, LLC, that in turn owns one condo property on Maui. Our business relies on visitors to Hawaii and we have dutifully paid all taxes and complied with all other requirements to operate our business since its inception over 10 years ago. We are submitting this letter to express significant concerns regarding SB1396 SD3 HD2. As written, it proposes another Transient Accommodation Tax increase without providing concrete information on the amount of such increase. This approach makes business planning much more difficult than it already is and the timing escalates an already extremely high level of economic uncertainty for local communities. This additional stress on Hawaii's economy creates more instability which in turn could result in unintended detrimental consequences on businesses, workers and their families, and the community at large, all of whom rely in one way or another on steady employment to make ends meet every day. Another major concern in the approach taken by this Bill is that it unfairly places the financial burden of developing much needed improvements in disaster preparedness on a single segment of the economy. There are much better and more equitable approaches to accomplish the desired objectives by spreading the burden throughout all taxable segments of the economy. Disaster preparedness is the responsibility of all relevant stakeholders and funding it should reflect a common sense approach aimed at full participation by these stakeholders. The end result of taking this type of "shared responsibility" approach will surely be more resilient in the long run by facilitating more buy in and commitment throughout the economic spectrum. For these reasons, we urge you to reject

SB1396 SD3 HD2 as written and consider alternatives that will work to improve Hawaii's economy on a longer term, more transparent and sustainable basis.

Thank you for your service to Hawaii and for taking the time to consider our concerns.

Sincerely,

George "Sonny" Cave & Stefanie Workman

Testimony of Sustainable Coastlines Hawai'i

4/1/2025

Bill: **SB1396**

Committee: House FIN

Position: **Support with amendments**

Hearing Date: 4/2/25 3:30PM

Aloha Chair Yamashita and Members of the House Finance Committee,

My name is Rafael Bergstrom, the Executive Director of Sustainable Coastlines Hawai'i (SCH), a local nonprofit with a mission to inspire communities to care for coastlines. SCH is in support of SB 1396 while adding some amendments that focus the bill further on environmental stewardship. We appreciate the opportunity to offer support for this program that escalates in need every year. Please read below for a more detailed look at who we are and why we support these efforts. While there are things that we love about SB1396 in its current form, we also offer upfront the need for a few **amendments**:

- In addition to DLNR, we believe funds should also be directed to a community NGO **grant program** that is simple and gets funds to the organizations that tirelessly dedicate their energies to making sure Hawai'i is protected, restored, and enhanced.
- We encourage the committee to continue exploring the possibility of mechanisms of collection that will provide a dedicated fund that is not wrapped up in other revenue streams. Environmental stewardship needs to be of the highest priority for the sustained future of Hawai'i.
- An **educational component** (videos, signage, etc.) of these fees should be mandated by law in order to help visitors understand the positive momentum they are creating by supporting the work of DLNR and other 'āina based organizations. This will enhance the experience of everyone who comes to the islands.

The vision of SCH is a world of inspired people, clean beaches, and healthy coastlines. Visitor engagement and education, volunteerism, and restoration efforts are all core actions of how we achieve our mission. Over the past 14 years SCH has removed 750,000 lbs. of debris from our coastlines, united 50,000 volunteers, reached 55,000 students with presentations and immersive education, and waded through a destructive mess of plastic pollution. We are experts on plastic pollution, the consequences of inaction, and the solutions we have at our fingertips.

The impact of visitors to our islands can be seen everywhere. While it is of course necessary to acknowledge the economy that is created around this industry, it is equally, if not more important, to understand the negative externalities of that industry and be proactive in mitigating them. While inviting visitors to be better stewards of the islands should continue, it is not enough. Our islands run huge deficits when it comes to funding both reactive and proactive conservation and sustainability efforts. The current levels of impact are not sustainable for a livable future in Hawai'i. We need more funding to expand this work, especially in an era where federal funding mechanisms that have been in place to protect our precious resources are being rapidly dismantled.

Our hope is that an increase to TAT or a more direct mechanism of an environmental stewardship fund will not only make a dent, but significantly fill the funding gaps that we have to protect the environment that sustains the people of Hawai'i and entices visitors to the islands. Without a direct line of funding for these efforts, the future of these islands' health and well-being will be in jeopardy. Models of similar funds have been effective across the globe and have great opportunity to create local jobs in protecting our islands for the future. Hawai'i is an ecological wonder and has a responsibility to have one of its biggest workforces be in conservation. In doing so, we will become a leader and model for the world.

We will continue to do our part with hands-in-the-sand and hands-in-the-soil work while engaging residents and visitors in opportunities to learn while restoring. Ideally everyone goes home from one of our events feeling empowered to take both individual and community action to protect our future. Mahalo for taking time to consider this important bill.

With Aloha,

A handwritten signature in black ink, appearing to read 'Rafael Bergstrom', with a stylized flourish at the end.

Rafael Bergstrom
Executive Director
Sustainable Coastlines Hawai'i

Testimony in Support of SB1396 SD3 HD2
House Committee on Finance
Position: Support

Aloha Chairs, Vice Chairs, and Members of the Committee on Finance,

Members of Hawai'i Green Growth Local2030 Hub in collaboration with members of 'Āina Aloha Economic Futures and the Hawai'i Wildfire Management Organization are collectively submitting written testimony in **strong support of SB1396**, which would dedicate funding toward Hawai'i's natural and cultural resources through amendment of the Transient Accommodation Tax (TAT), assess the TAT on cruise ship cabins, and appropriate funds for the protection, management, and restoration of the State's natural resources as well as for environmental stewardship, climate and hazard mitigation, and sustainable tourism. Further, the bill would help achieve Hawai'i's timebound 2030 sustainability commitments through the Aloha+ Challenge, Hawai'i's local framework to meet the global Sustainable Development Goals.

The devastating wildfires on Maui and Hawai'i Island in August of 2023 underscore the need for Hawai'i to mitigate against future disasters by making significant investments in effectively managing priority watersheds and the built environment, reducing invasive species across unmanaged landscapes, and increasing overall risk awareness. Our collaboration of partners seeks to strengthen community resilience through biocultural system restoration leveraging local, place-based knowledge and indigenous wisdom and securing sustainable investments for a more abundant Maui and the broader Hawaiian Islands. Bill SB1396 would strongly support these efforts to strengthen resilience across our communities and 'āina.

As Hawai'i's landscape managers compete with the myriad other social and environmental issues requiring funding from State budgets, an innovative approach to sustainable financing is urgently needed to address the scale of landscape management and wildfire mitigation activities on Maui and across the islands of Hawai'i. Proven solutions that urgently require more funding to address Hawai'i's wildfire risk and other disaster mitigation through effective natural resource management at scale include:

Watershed Management	Community Risk Reduction
Reducing fire fuels through vegetation management, native species planting and ecosystem restoration, active agriculture, invasive species removal, and conversion to less fire-prone species.	Wildfire outreach and education for vulnerable communities.
Equitable water redistribution to support improved land management, agriculture, and healthier watersheds (all wildfire risk reduction practices).	Community wildfire mitigation program coordination (Hawaii Firewise Communities program and statewide Firewise network), which provides technical guidance and support for communities working to address wildfire risk in their neighborhoods.

Wildfire mitigation planning and best practice education for land stewards.	Small grants and cost-share funding for wildfire mitigation projects carried out within communities active in the Firewise program (cost-share) to manage vegetation, address vegetated communal areas and neighborhood perimeters, work on evacuation planning and egress issues, and retrofit structures with noncombustible materials.
Coordination to support landscape-scale, multi partner mitigation activities. (Fires and other disasters don't obey fence lines.)	
Training, education, living wages, affordable housing, and workforce capacity initiatives are also critical to achieving the above activities.	

It's estimated **Hawai'i needs at least \$560 million each year** to effectively care for natural and cultural resources in the state. Enacting legislation like SB1396 could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods. The many Watershed Partnerships, DLNR-Division of Forestry and Wildlife, the Hawai'i Wildfire Management Organization, community land stewardship groups, ranches, and other local nonprofits and community-based organizations have long been leading the way on this work. **We support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai'i.**

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. ***The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee.*** Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary.

Mahalo for the opportunity to testify,

Celeste Connors



CEO
Hawai'i Green Growth Local2030 Hub

Mahina Paishon

Mahina Paishon

Founding Member
'Āina Aloha Economic Futures

Elizabeth Picket



CO-Executive Director
Hawai'i Wildfire Management Organization

Andrea (Nani) Barretto



CO-Executive Director
Hawai'i Wildfire Management Organization



RESOURCES LEGACY FUND®
CREATIVE SOLUTIONS. LASTING RESULTS.

DATE: April 2, 2025

Re: Support for SB1396 SD3 HD2, Relating to Economic Development

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

On behalf of Resources Legacy Fund, I am writing to express our support for SB1396 SD3 HD2, Relating to Economic Development. This bill increases the transient accommodations tax and extends the tax to cruise ship cabins. The revenue generated will be directed to the Department of Land and Natural Resources to support the protection, management, and restoration of the State's natural resources, as well as environmental stewardship, climate and hazard mitigation, and sustainable tourism initiatives.

Hawai'i's natural environment is central to the state's identity and appeal, offering stunning landscapes and unique ecosystems enjoyed by millions of visitors. Our ecosystems sustain our way of life as residents, ensuring our freshwater supply and protecting our coastal infrastructure. Heavy visitation and escalating climate change impacts—such as wildfire, flooding, coastal erosion and coral bleaching—have taken a toll, creating urgent challenges that require immediate action and durable investment.

Resources Legacy Fund partners with communities and government to advance innovative solutions to catalyze action for conservation, equity, and climate solutions. With extensive experience supporting conservation policies and sustainable funding mechanisms, we are committed to ensuring long-term environmental stewardship for Hawai'i.

Funding generated by this measure could support critical conservation efforts such as restoring native forests and watersheds that supply our drinking water and reduce our wildfire risk and protecting coral reefs that feed our communities and protect us from coastal flooding.

This measure is more than an environmental safeguard—it is an investment in the safety of our communities and in Hawai'i's future. By linking tourism to stewardship, SB1396 SD3 HD2 helps preserve Hawai'i's natural and cultural resources while supporting its tourism economy.

We respectfully urge the committee to approve this legislation and ensure a sustainable future for Hawai'i.

Thank you for the opportunity to testify.

To: Rep. Kyle T. Yamashita, Chair
Rep. Jenna Takenouchi, Vice Chair
House Committee on Finance

From: **SB1396, SD3, HD2 - Relating to Economic Development - Support**
Wednesday, April 2, 2025, 3:30 p.m., Conference Room 308 & Videoconference

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

Mahalo for the opportunity to support SB1396 relating to economic development. I submit this testimony on behalf of the [Hawai'i Workforce Funders Collaborative](#) (HWFC), a collaboration of philanthropic, nonprofit, private, and public partners leading the charge to create an integrated strategy for workforce development in Hawai'i. We strongly believe this bill will bolster Hawai'i's workforce, help create good jobs, and increase our state's resilience to the challenges we face from a changing climate.

The climate crisis is not just an environmental issue; it is also an economic and workforce issue. Extreme weather events and disasters threaten the industries Hawai'i's economy and workers depend on. As a state, we must invest in strategies that ensure our workforce is equipped to adapt to and address the challenges posed by the increasing threat of disasters and a changing climate.

We support bill SB1396 because it would support several key workforce development areas:

- **Funding for resilience projects:** Raising revenues for projects that improve Hawai'i's environmental resilience to disasters could create new job opportunities in climate adaptation, environmental conservation, and infrastructure resilience.
- **Funding for destination management:** The tourism industry employs more than 200,000 workers in Hawai'i and accounts for roughly a quarter of our state's economy. With the increased threat of disasters in Hawai'i, we must take steps now to make this industry more resilient to and capable of adapting to climate change. Proper destination management should support workers in this sector and ensure our tourism industry becomes more sustainable and resilient.

We urge the state to take a coordinated, comprehensive approach to establishing and dispensing these funds by collaborating with organizations, educational institutions, and businesses already doing this work. We must invest in workforce development strategies that have proven effective to ensure our local workforce is equipped and supported to facilitate disaster resilience and climate change mitigation projects. HWFC has conducted extensive research on workforce development strategies that work and published recommendations in its recent report [*From Crisis to Opportunity: Building Hawai'i's Workforce Resilience.*](#)

HWFC envisions a future in which every resident has access to quality, future-ready work that provides a family-sustaining wage, and where every employer has access to highly skilled, locally trained workers that strengthen their business. This bill would help current and future generations of workers and employers by investing in disaster resilience and economic development, creating opportunities for good jobs that allow people to remain rooted in the islands, and fortifying Hawai'i's precious natural resources that many of our state's industries rely upon.

Mahalo for the opportunity to testify in support of SB1396.

Thank you,



Matt Stevens

Executive Director

Hawai'i Workforce Funders Collaborative

The Honorable Kyle Yamashita, Chair
Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Room 308
Honolulu, HI 96813
April 2, 2025

RE: OPPOSITION TO SB1396 SD3 HD2, RELATING TO ECONOMIC DEVELOPMENT

Dear Chair Yamashita and Members of the Committee,

On behalf of the Maui Vacation Rental Association (MVRA), I write in strong opposition to SB1396 SD3 HD2. As a Maui-based organization representing responsible short-term rental property owners, operators, and small business supporters across the County, we are acutely aware of both the challenges facing our islands and the urgent need for climate resilience and disaster preparedness.

However, this bill proposes a tax policy that is neither clearly defined nor fiscally sound—placing an unfair burden on Maui’s already fragile economy and the tourism-dependent residents working to rebuild after the devastating Lahaina wildfire.

1. Undefined Tax Increase is Not Sound Fiscal Policy

This bill proposes an unspecified increase in the Transient Accommodations Tax (TAT) without clearly defining the rate in the bill language.

- On Maui, where tourism is our primary economic driver and many families depend on tourism-related income, transparency in tax policy is essential for responsible business and household planning.
- Leaving the tax increase to be decided post-testimony erodes public trust and limits the ability of Maui businesses and residents to weigh in on the actual financial impact.
- Maui County taxpayers—many of whom are still recovering from disaster—should not be handed a blank check.

2. Maui’s Tourism Economy is Already Fragile and Volatile

Maui has seen firsthand how fragile our tourism industry is. After the Lahaina fire, visitor arrivals dropped dramatically, impacting jobs, local spending, and county revenue.

- Maui’s recovery cannot be built on the shaky premise of increasing taxes on an industry that is still finding its footing.
- Global issues like fuel costs, recessions, and geopolitical instability can sharply affect

visitor numbers—and thus tax revenues.

- Basing critical state programs on unpredictable tourism taxes is not responsible or sustainable, especially for a neighbor island economy.

3. A More Equitable and Reliable Revenue Strategy is Needed

While we agree that funding climate resilience is crucial, this burden should not fall solely on one sector.

- All of Hawaii's residents and businesses are vulnerable to climate-related disasters—not just those tied to tourism.
- A more equitable model would distribute responsibility across stable sources like the general fund, or through diversified revenue streams and state bonding.
- Maui County, in particular, cannot afford policies that stifle recovery or deepen inequality.

4. Hawaii—and Maui's—Competitive Edge Is At Risk

Hawaii already ranks among the highest in lodging taxes in the U.S. Additional increases could make our state—and specifically Maui—less competitive.

- Post-fire, many Maui businesses are struggling to retain workers, rebuild operations, and attract responsible visitors.
- Additional TAT increases could deter travelers, reduce small business revenue, and slow recovery on our island.

Conclusion

We respectfully urge you to oppose SB1396 SD3 HD2. The proposal lacks clarity, over-relies on an unstable revenue source, and risks harming the very communities—like ours on Maui—that are already bearing the brunt of natural disaster and economic disruption.

We welcome the opportunity to collaborate on a more inclusive, transparent, and sustainable fiscal approach that supports all counties and all residents of Hawaii fairly.

Mahalo for your time and consideration.

Respectfully,

Caitlin Miller
Maui Vacation Rental Association



April 2, 2025

TO: Representative Kyle Yamashita, Chair
Representative Jenna Takenouchi, Vice-Chair
Members of the Finance Committee

FR: AMERICAN RESORT DEVELOPMENT ASSOCIATION – HAWAII (ARDA Hawaii)

RE: Testimony in Opposition to SB1396 – Relating to Economic Development

Aloha Chair Yamashita, Vice Chair Takenouchi and members of the Committee,

Thank you for allowing ARDA Hawaii to submit testimony in **OPPOSITION** to SB1396. ARDA Hawaii is the local chapter of the trade association for the timeshare industry. Timeshare is an important and stabilizing part of the tourism industry and to Hawaii's economy. Timeshare owners have made long-term commitments to Hawaii by purchasing and owning real property in the State. These owners are consistent and dependable visitors who bring substantial tax dollars to the State and continue to come even during periods of economic downturn.

SB1396 would amend and potentially increase the transient accommodations tax (TAT) rate and would impose the TAT on cruise ships docked in the state. These funds would be used to provide funding to the DLNR for certain environmental stewardship projects.

While ARDA Hawaii is pleased to see the bill amended to remove the imposition of a fee on accommodations secured through reward points, and while we understand the intent to generate revenue for environmental conservation, ARDA does not support an increase to the TAT.

Hawaii risks becoming less competitive with an increase to this tax. The TAT is particularly unfair to timeshare owners, who already contribute significantly to Hawaii's economy through existing taxes, including property taxes and general excise taxes.

Mahalo for your consideration of our comments.



The Nature Conservancy, Hawai'i and Palmyra
923 Nu'uuanu Avenue
Honolulu, HI 96817

Tel (808) 537-4508
Fax (808) 545-2019
nature.org/HawaiiPalmyra

**Testimony of The Nature Conservancy
Supporting SB1396 SD3 HD2, Relating to Economic Development.
Committee on Finance
April 2, 2025 at 3:30 pm
Conference Room 308 and via Videoconference**

Aloha Chair Yamashita, Vice Chairs Takenouchi, and Members of the Committee:

Mahalo for the opportunity to testify today. The Nature Conservancy (TNC) Hawai'i and Palmyra supports SB1396 SD3 HD2, which amends the Transient Accommodations Tax rate beginning on 1/1/2027 and assesses the Transient Accommodations Tax on cruise ship cabins based on the total time the cruise ship is docked at any port in the State. This bill appropriates funds to the Department of Land and Natural Resources (DLNR) for protection, management, and restoration of the State's natural resources as well as for environmental stewardship, climate and hazard mitigation, and sustainable tourism.

Hawai'i faces surmounting environmental challenges like wildfires, disappearing coastlines, bleached coral reefs, and an underinvestment in the management of these natural and cultural resources. As an island region, our community safety faces growing risk the longer we go without significant funding toward environmental protection and restoration. Hawai'i is in immediate need of additional resources to conserve and protect our ecosystems, native species, coastlines, and the community livelihoods that depend on these resources.

Recent polling funded by the Nature Conservancy and the Trust for Public Land shows that 3 in 4 visitors support paying their appropriate contribution for the protection and restoration of the natural places and resources they use, visit, and experience during their time here. Paired with polling from previous years showing support with over 85% of Hawai'i voters, there is clearly immense public support for this initiative.

SB1396 SD3 HD2 is one clear pathway to protecting, restoring, and enhancing Hawai'i for our local communities and the visitors we share it with, for future generations and beyond. By establishing a clear climate resilience fund, we ensure that our State makes the long-term, sustained investments to care for our 'āina and reduce risk to our communities. However, we encourage the legislature to ensure that the proposed mechanisms in this bill align with the scale of our challenges and make use of the strong expertise already in place in our State government.

Mahalo for the opportunity to testify in support of SB1396 SD3 HD2.

Guided by science, TNC is a non-profit organization dedicated to the preservation of the lands and waters upon which all life depends. The Conservancy has helped protect more than 200,000 acres of natural lands in Hawai'i and Palmyra Atoll. We manage 40,000 acres in 13 nature preserves and have supported over 50 coastal communities to help protect and restore the nearshore reefs and fisheries of the main Hawaiian Islands.

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To: Rep. Kyle T. Yamashita, Chair
Rep. Jenna Takenouchi, Vice Chair
House Committee on Finance

From: **SB1396, SD3, HD2 - Relating to Economic Development - Support**
Wednesday, April 2, 2025, 3:30 p.m., Conference Room 308 & Videoconference

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

Mahalo for the opportunity to testify **in support** of SB1396, SD3, HD2 relating to economic development. I am the Chief Executive Officer of Vibrant Hawai'i, a nonprofit organization on Hawai'i Island dedicated to bringing people together to build capacity, confidence, and courage to take action and build a vibrant Hawai'i. I write today in support of this bill, which would establish a funding mechanism for the state to address climate-related disasters by allocating revenues generated by an increased Transient Accommodation Tax (TAT) toward resilience projects.

Vibrant Hawai'i is deeply involved in fortifying the resilience of our island communities, particularly in the face of increasingly severe disasters like wildfires, hurricanes, earthquakes, floods, and tsunamis. We coordinate a network of community-led [Resilience Hubs](#) that are equipped to fulfill community needs during disasters. We also facilitate the [Resilience Alliance](#), a network of Hawai'i Island nonprofits and businesses that are committed to building internal resilience and preparedness in the event of an emergency, as well as participating in coordinated responses to disasters when they happen.

Hawai'i Island – with its vast geography, rural communities, and exposure to multiple disaster risks – needs sustained investment in environmental, infrastructure, and community resilience initiatives. SB1396, SD3, HD2 would provide a practical revenue source to fund programs that will build a more resilient future for our people without placing added financial burden on kama'āina. A marginal increase in the TAT is unlikely to dissuade visitors from coming to Hawai'i; in fact, a [recent survey](#) by the Care for 'Āina Now Coalition finds that many visitors are in favor of financially contributing to the preservation and protection of Hawai'i's environment.

Increasingly devastating disasters exacerbate existing economic disparities by increasing the cost of housing, food, and utilities – not to mention the staggering cost associated with recovery and rebuilding. Investing in disaster resilience has been found to reduce the cost of recovery in other states. It could also provide employment opportunities for Hawai'i Island youth to do impactful work in their local communities, ensuring more of our young people can remain in Hawai'i.



Disasters are not a future problem: they are here now, and growing worse each year. SB1396, SD3, HD2 is an important step in ensuring that revenues generated from a small increase in the TAT can be strategically directed towards solutions that protect Hawai'i Island communities, our environment, and our way of life. Please advance this measure for further discussion. Mahalo for your leadership and commitment to a more resilient Hawai'i.

Mahalo,

Janice Ikeda

A handwritten signature in black ink, appearing to be "Janice Ikeda", written over a horizontal line.

Chief Executive Officer

Vibrant Hawai'i

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TRANSIENT ACCOMMODATIONS, Rate Increase to Fund Natural Resource Protection, Management and Restoration

BILL NUMBER: SB 1396 SD 3 HD 2

INTRODUCED BY: House Committees on Tourism and Water & Land

EXECUTIVE SUMMARY: Amends the Transient Accommodations Tax rate beginning on 1/1/2027. Assesses the Transient Accommodations Tax on cruise ship cabins based on the total time the cruise ship is docked at any port in the State. Appropriates funds to DLNR for protection, management, and restoration of the State's natural resources as well as for environmental stewardship, climate and hazard mitigation, and sustainable tourism.

SYNOPSIS: Amends section 237D-1, HRS, definitions for:

“Cruise ship” means any ship that docks at any port in the State that charges a fee for and provides cruise ship cabins to transient passengers.

“Cruise ship cabin” means an accommodation or living quarter on a cruise ship that is provided to transient passengers.

Adds cruise ship and cruise ship cabin to the definitions of “Lease” and “Transient accommodations”.

Amends section 237D-2(a), HRS, to change the default TAT rate from 9.25% to ___% for the period beginning on January 1, 2027 and thereafter, provided an operator of a cruise ship shall pay a tax of ___% under this subsection on all gross rental proceeds derived from furnishing of a cruise ship cabin for the duration of the cruise lease, prorated by the percentage of total time docked at any port in the State.

Amends section 237D-2(c), HRS, to change the default TAT rate from 9.25% to ___% for periods beginning on January 1, 2027 and thereafter.

Amends the section 237D-2(e), HRS, TAT rate for the period 1/1/2018 to 12/31/2030 from 10.25% to ____%. Additionally, ____% of the tax revenues pursuant to this subsection to be deposited to the mass transit special fund; currently revenues in excess of 9.25% is being deposited, with the balance deposited to the general fund. Appropriates \$_____ out of the general fund 1) to protect, manage and restore the State’s natural resources and 2) for environmental stewardship climate and hazard mitigation and sustainable tourism.

EFFECTIVE DATE: July 1, 3000.

STAFF COMMENTS: This is an Administration bill sponsored by the Office of the Governor and designated GOV-02 (25).

The bill includes unspecified tax rates and otherwise contains blanks for important information. The bill cannot be scored for revenue gain/loss in its current form, and cannot be vetted properly unless numbers are inserted. The preamble of the bill states that a TAT increase is intended.

The bill increases the TAT rate and assesses an unspecified % of the TAT on furnishing cruise ship cabins. Additionally, an unspecified % of the TAT will be deposited to the mass transit special fund.

This proposed increase in TAT will be borne largely by visitors. With the recent ability of counties to impose their own TAT charge, Hawaii already has the highest accommodation tax in the country. Although the bill's proponents may think that this is simply picking the pockets of our tourists to help our own, there may be ripple effects from further squeezing our tourists. What policy makers need to realize is that the more they extract from the economy in taxes and fees, the more economic performance declines. To put it specifically, tourists can't vote for our lawmakers at the ballot box but they can vote with their feet. We aren't the only resort island destination in the world, and the tourists know this. As economic performance declines, so do tax revenues.

Digested: 4/1/2025



*Testimony of
Mufi Hannemann
President & CEO
Hawai'i Lodging & Tourism Association*

SB1396 SD3 HD2: Relating to Economic Development

Committee on Finance

April 2, 2025

Chair Yamashita, Vice Chair Takenouchi, and members of the committee,

On behalf of the Hawai'i Lodging & Tourism Association (HLTA), the state's oldest private-sector visitor industry organization, I appreciate the opportunity to offer comments on SB1396, SD3, HD2.

Hawai'i's visitor industry has long been a strong advocate for environmental stewardship. The sustainability of our natural resources is essential to the health of our communities, the vitality of our economy, and the long-term success of our industry. We recognize the growing threats posed by climate change and support strategic, long-term investments that promote climate resilience and environmental protection. We also support the concept of generating dedicated revenues for climate mitigation and sustainability.

We welcome the measure's intent to create greater parity in taxation—particularly by ensuring that all operators, including short-term rentals and cruise ships, contribute their fair share. However, we urge caution regarding the proposal to significantly raise the transient accommodations tax (TAT). Hawai'i already has one of the highest TAT rates in the nation, and further increases could make our destination less competitive globally. Additional taxes may discourage travel, reduce visitor spending, and potentially impact employment and economic stability within the tourism sector.

We are also concerned that the measure does not include clear safeguards or accountability mechanisms to ensure that the increased revenues will directly benefit the tourism industry or be used efficiently for environmental initiatives. Unfortunately, past experience has shown that revenues earmarked for specific purposes are often redirected to the general fund or other uses with limited transparency. We respectfully recommend that the Legislature incorporate stronger fiscal oversight and clearer reporting

requirements to ensure that these funds are used as intended. If funds are to be allocated for tourism-related impacts, they should be directed to the Hawai'i Tourism Authority (HTA), which is best equipped to carry out destination marketing, stewardship programs, and visitor education efforts that align with statewide sustainability goals.

In previous testimony on related proposals, HLTA has offered alternative strategies that promote both sustainability and fairness:

- **Strengthening enforcement** of TAT compliance among illegal short-term rentals that continue to evade regulation;
- **Implementing targeted visitor impact fees** at high-traffic natural and cultural sites, modeled after successful initiatives like Hanauma Bay;
- **Expanding public-private partnerships** to maintain and protect natural resources without disproportionately burdening any one segment of the visitor industry.

These approaches would not only generate meaningful revenue but would more equitably distribute the costs of environmental protection across the entire visitor sector and its users.

We appreciate the Legislature's continued commitment to addressing climate resilience and environmental stewardship—priorities that are deeply aligned with our industry's values. However, we encourage more balanced approaches that protect both our natural environment and the viability of Hawai'i's tourism economy.

Mahalo for the opportunity to provide these comments and for your thoughtful consideration. HLTA remains committed to being a collaborative partner in building a more sustainable future for Hawai'i.



Date: Apr 2, 2025

To: Chair Yamashita , Vice Chair Takenouchi, and members of the Committee on Finance

Re: SB 1396 SD3 HD2 , Relating to Cesspools

Wednesday Apr 2, 2025

VIA VIDEOCONFERENCE

Conference Room 308

State Capitol

415 South Beretania Street

From: Erica Perez- Program Manager and Head of Sanitation

eperez@coral.org

Coral Reef Alliance (CORAL)

Subject: Testimony in SUPPORT of SB 1396 SD3 HD2, Relating to the Economic Development

On behalf of the Coral Reef Alliance and a concerned citizen of Moku O Keawe, I am submitting written testimony in strong support of SB1396, which would help dedicate funding toward Hawai'i's natural and cultural resources that sustain the safety of our people, place, and economy. We are in a critical time where our natural resources and communities are being threatened at an alarming rate. Climate change and the impacts caused by sea level rise, wildfires, severe storms, droughts and mass coral bleaching events, threaten our island home and culture. Malama 'āina is the only path forward, to honor and recognize the interconnectedness of this place and its people, and funding is necessary to support this effort.

These impacts are devastating the environment that sustains our visitor industry and economic livelihoods. This consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be investing in community-driven projects that build resilience and prevent damage when climate events arise. It's estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai'i. Enacting legislation like SB1396 could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.



The protection, management, restoration, and stewardship of Hawai'i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. We know that community organizations are working on the frontlines of resilience, adaptation, and stewardship, and this measure will empower experts across Hawai'i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai'i.

CORAL is an international coral reef conservation organization that works with communities, businesses, and governments to save coral reefs. With field offices on Maui and Hawai'i Island, and projects throughout the Main Hawaiian Islands, CORAL uses a science-based approach to improve coastal water quality. Throughout the state, CORAL's programs mitigate land-based sources of pollution, such as wastewater discharge and stormwater runoff.

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee. Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary.

Sincerely,

A handwritten signature in black ink that reads "Erica Perez". The signature is written in a cursive, flowing style.

Erica Perez
Program Manager and Head of Sanitation
eperez@coral.org
Coral Reef Alliance

SB-1396-HD-2

Submitted on: 4/2/2025 11:38:49 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Matthew Chalker	Wildfire Safety Advocates of Waikoloa	Support	Written Testimony Only

Comments:

Wildfire Safety Advocates of Waikōloa

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the House Committee on Finance:

My name is Matt Chalker, and I am submitting testimony on behalf of the Wildfire Safety Advocates of Waikōloa, a community-based organization dedicated to reducing wildfire risk and improving wildfire safety across Hawai‘i Island. We strongly support SB1396, which would establish a much-needed funding mechanism for climate resilience, disaster preparedness, and responsible tourism management throughout our state.

What Does SB1396 Do?

SB1396 proposes a measured increase to the Transient Accommodations Tax (TAT) beginning January 1, 2026 (with the specific percentage still to be finalized). This bill requires that in future fiscal years, the Governor’s budget must include a request to allocate some of these TAT revenues to the state’s general fund specifically for climate resilience projects and responsible tourism and destination management efforts.

Why Is This Important?

- 1. Tourism’s Responsibility**
Visitors who enjoy our islands should also contribute to protecting them. SB1396 ensures the tourism sector directly supports the resilience of the very environment and communities upon which Hawai‘i’s visitor industry depends.
- 2. Proactive Disaster Preparedness**
Funding vital mitigation measures—such as vegetation management, defensible space, and infrastructure hardening—helps protect against wildfires, hurricanes, earthquakes, and floods. Every dollar spent on mitigation can save six dollars or more in recovery costs later.
- 3. Community & Economic Sustainability**
If we do not invest in our environment and community resilience now, it will be far more expensive to recover from increasingly frequent and severe climate-related

disasters. By establishing a reliable funding source, SB1396 helps Hawai'i remain a safe, thriving place for residents and visitors, now and for future generations.

In Waikōloa, we have seen first-hand how quickly and dangerously wildfires can spread. Our region faces some of the most hazardous conditions in the state, with power lines and dry vegetation posing significant risks. Without robust, long-term investments in disaster preparedness and climate resilience, our community remains vulnerable to catastrophic events—risks that also threaten our visitor industry and the broader economy.

The wildfires that devastated Lāhainā and threatened Waikōloa Village underscore the urgency of acting now. SB1396 offers a responsible, proactive solution by directing visitor dollars toward resilience projects and sustainable tourism management. Investing in climate adaptation today will not only save lives and minimize financial losses; it also safeguards Hawai'i's future as a world-class destination and a vibrant home for all of us.

For these reasons, we respectfully urge you to pass SB1396. Mahalo for the opportunity to testify, and please feel free to contact me if you have any questions or need further information.

**Sincerely,
Matt Chalker
Wildfire Safety Advocates of Waikōloa**

SB-1396-HD-2

Submitted on: 3/31/2025 5:20:58 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Carmela Resuma	Individual	Support	Written Testimony Only

Comments:

I support this bill.

SB-1396-HD-2

Submitted on: 3/31/2025 7:19:06 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Glen	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and**Members of the Committee on Finance****Hawaii State House of Representatives****415 S. Beretania Street, Rm. #308****Honolulu, HI 96813****April 2, 2025 OPPOSITION TO SB1396 SD3 HD2****Dear Chair and Members of the Committee,**

My name is [Your Name], and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to

other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Glen and Lara Robinson

SB-1396-HD-2

Submitted on: 3/31/2025 7:29:22 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Cedar Kehoe	Individual	Oppose	Written Testimony Only

Comments:

AGAINST B1396 SD3 HD2

Testimony opposing B1396 SD3 HD2

Increasing the taxes on tourist and calling it Environmental Stewardship; is misleading when the money can be used for anything. You have simply used Environmental Stewardship to get support for the tax increase but you have not limited the revenue to Environmental issues.

1. am a senior and I want to home exchange so I can travel without having to pay the cost of hotels. You want to now charge someone staying in my home \$20 a night transient accommodation tax which would have to pay. When are you going to realize your actions are killing it for us seniors who live on property and who want to travel or get income to live. You all continue to disregard the difference between those properties that are owned and occupied by the property owner and those properties that are not. An excellent example is the 30 day rules.

The ruling by the Judge Watson requires that DPP Director should be enforcing based on the 90-day minimum for property that do not have the owner living on site. DPP director expressed that this was more work than they could take on now and would take away from more productive work against less-than-30-day illegal operators. That's wrong – what she is allowing is everybody doing 30 days rentals so now the 30 market is flooded with too many properties. The judge requires the majority to do 90 days rentals yet DPP continues to disregard their directive and enforce what they want.

1. need DPP to do the work to enforce the 90-day rule as directed by the Judge Watson. Once the Ordinance went into effect DPP aggressively issued NOVs for advertisements with less than 30-day minimum stays. DPP should have issued in their notice the language that pointed out which properties were allowed to market 30 days and which property had to market 90-days. But they did not do this. The market is now flooded with

30 day rentals because of their poor enforcement. DPP elected to not follow the clear ruling by the Judge Watson. The notice letters sent to all of us should have stated its 30 days for those selected by the Judges ruling and 90 days for everybody else. DPP has contracted with a collection agency all DPP needs to do is enforce the 30 vs 90 day rule and you will have more money then this \$20/night will generate. The \$20 night fee, if passed, should also exclude those homeowners that are allowed to do a 30 rental as pointed out in the Judges ruling.

1. owners who live on site should be allowed to do a vacation rental without collecting rent so they can travel. If I collect \$20 a night from a home exchange guest I then forward that amount to the HI government, but I have to also pay taxes on that \$20 I receive as it was income so I am losing money as I receive no income and my expenses go up. Also, Home exchange sites do not allow a hosts to charge a guest any type of rent.

Important Point:

Except all properties with the owner living on site from this fee.

Enforce the 90 day rule as directed by the judge.

Required DPP to actually do their job or get senior staff who can.

Stop increasing fees to tourist, your moving everybody off Hawaii to other destinations.

Stop spending!

Cedar Kehoe

68-003 Laau Paina Place

Waialua, HI 96791

SB-1396-HD-2

Submitted on: 3/31/2025 7:41:23 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jeff Seifert	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and

Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

March 31, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Jeff Seifert, and I oppose SB1396 SD3 HD2 as Hawaii's transient accommodations taxes are already among the highest in the Country. My small business relies on tourism revenues to fund the 18 Hawaiian residents I employ. My employees depend on tourism to support their families.

I hear often from people visiting Hawaii that the taxes are already too high and I have seen many people cancel their planned vacations when they realize the State and County taxes already are almost 18%. I fear many others will cancel their vacations as well.

In the last decade the State has already increased the tax rate from 7.25% to 10.25% through successive increases and then stopped sharing the taxes with the Counties allowing them to increase the taxes by another 3% to make an increase from a combined 7.25% to 13.25%. An increase of another percent would mean that the State has effectively doubled the tax on tourism in the last decade.

The likelihood of a downturn in the economy will put further stress on tourism in Hawaii. We are already facing a significant downturn in international travelers from Asia and Canada and

expect those numbers will decline further. With fewer travelers there will be fewer flights. This not only affects hotels and other accommodations but a wide range of employers from activities even to those in agriculture who sell their products to restaurants and direct to visitors at Farmers Markets.

Messaging from the State often seems to discourage visitors from coming to Hawaii. Raising even more taxes on the backs of tourism sends a clear negative message to visitors that they are a source of taxes and not valued for driving the Hawaiian economy.

The state should be encouraging sustainable tourism and making it easier for businesses to grow in responsible ways and put more Hawaiians to work. That will bring far more taxes into State coffers than a short sighted increase to the Transient Accommodations Tax.

d I rely on Hawaii's tourism industry to support my family. I'm writing to **oppose SB1396 SD3 HD2** because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

Disaster preparedness should be responsible for all taxpayers. It should be planned and budgeted for responsibly with all parts of the economy and population contributing towards solutions.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs to create an environment that fosters responsible tourism and helps create jobs for Hawaii residents. This proposal is a job killer. Please do not pass it. Allow us to grow and hire more Hawaii employees.

Thank you for your time and consideration.
Sincerely,

Jeff Seifert, Big Island Resident

SB-1396-HD-2

Submitted on: 3/31/2025 7:42:46 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Charles Stark	Individual	Oppose	Written Testimony Only

Comments:

Tourism is the primary industry in all of Hawaii. There is a limit to how much milk you can take without killing the cow. This bill has no transparency, no limits, and unfairly puts a burden on tourism for an issue that should be shouldered and funded by everybody. Don't kill the cow!

SB-1396-HD-2

Submitted on: 3/31/2025 7:44:45 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Sam Dorios	Individual	Support	Remotely Via Zoom

Comments:

Aloha,

My name is Sam Dorios, and I am testifying in ***strong support of SB1396***, which would help dedicate funding toward Hawai‘i’s natural and cultural resources that sustain the safety of our people, place, and economy.

Hawai‘i’s economy is deeply reliant on the 10 million annual visitors that come to Hawai‘i, who contribute roughly \$17 billion to our local economy ever year. And most tourists fly here not for our stores (though they will shop), nor our food (though it’s ‘ono), but to enjoy our beautiful oceans and landscapes. It’s that simple.

We therefore have an economic imperative to protect our ‘āina from degradation and decline. As it degrades and declines, so does our overall quality of life and the strength of our economy. The ‘āina can survive without our economy, but our economy cannot survive without the ‘āina.

Yet we are seeing degradation happen in real time. The people of Hawai‘i are currently grappling with the consequences of underinvesting in our ‘āina. We see coral bleaching, fires, floods, and brown water pollution harming the places we love and the places that sustain our visitor industry and economic livelihoods. What’s worse is that this consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks occur. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai‘i. Enacting legislation could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

It is critical that we are properly prepared to manage shocks and disruptions to our fragile environment. There are many programs and activities we can implement to protect ourselves, most of which require funds that residents cannot burden alone. Moreover, we certainly can no longer rely on the Federal Government to help us. But given the impact so many tourists have on the islands, it is not unreasonable to ask that they also help contribute to the protection of the islands. In fact, a stewardship fee for visitors is supported by 85% of repeat visitors, and one in four visitors stated they would be more likely to visit if we had a stewardship fee in place.

The protection, management, restoration, and stewardship of Hawai'i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. I encourage a revenue sharing component with community organizations that work on the frontlines of resilience, adaptation, and stewardship. Through a community grant program, this measure will empower experts across Hawai'i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. **I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai'i.** This will help ensure the on the ground work is done, as well as bolster our workforce with much needed jobs for locals.

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee. Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary.

We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,

-Sam Dorios

SB-1396-HD-2

Submitted on: 3/31/2025 7:51:36 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Todd Lynam	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and
Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

OPPOSITION TO SB1396 SD3 HD2

April 2, 2025

Dear Chair and Members of the Committee,
My name is Todd Lynam, and I rely on Hawaii's tourism industry to support my family in Hawaii. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,
Todd Lynam

SB-1396-HD-2

Submitted on: 3/31/2025 8:06:24 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kelly Young	Individual	Oppose	Written Testimony Only

Comments:

I am writing to express my deep opposition to SB 1396 SD3 HD1. Maui tourism is the primary driver of Maui's economy and tourism is already at a continued low since the pandemic and the fire. Small businesses and local tour operators have been hurt by the drop in tourism. This bill would worsen this issue, as vacationers choose to visit higher value locales. The transient accommodation tax is already very high and impacts potential visitors' choice of Maui as a destination. This bill would create a vicious cycle whereby funding for disaster preparedness depends on tourism dollars but the tax itself reduces tourism, tourism dollars, and disaster preparedness funding. The most important reason that I oppose this bill, however, is that it is completely lacking in transparency because the proposed tax rate is not stated on the bill! How can lawmakers vote in favor of an incomplete bill that does not provide all the details? How can they decide whether they are in favor or not if they don't know the most important piece of information – what tax is being proposed?

SB-1396-HD-2

Submitted on: 3/31/2025 8:12:57 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kathleen Ochsenbein	Individual	Oppose	Written Testimony Only

Comments:

If you keep biting the hand that feeds you, eventually the hand will feed some other location. Read Beat of Hawaii comments. People that have been regulars in Hawaii are turning to Europe and other places. Not only can they not afford it anymore, but they are offended that you think that they will keep emptying their pockets for a state that doesn't much care for them in the first place. If you want the \$\$\$ treat our tourists right. No more taxes on tourism.

SB-1396-HD-2

Submitted on: 3/31/2025 8:19:24 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kim Marie Lopez	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and

Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Aloha Chair and Members of the Committee,

My name is Kim Marie Lopez, and I rely on Hawaii's tourism industry to support myself as a single woman. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Kim Marie Lopez

SB-1396-HD-2

Submitted on: 3/31/2025 8:27:27 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Carmen Yu	Individual	Oppose	Written Testimony Only

Comments:

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Carmen Yu, and I am deeply connected to Hawaii's tourism industry, which is crucial in supporting my small business. I am writing to express my strong opposition to SB1396 SD3 HD2 because it proposes an unclear tax increase, relies on unstable tourism revenue, and unfairly places the financial burden of climate resilience solely on one industry.

1. Unclear Tax Increase Threatens Local Jobs

This bill suggests increasing the Transient Accommodations Tax (TAT) without specifying a concrete percentage. It's essential for businesses like mine to have clear, predictable information. Without this, lawmakers are essentially leaving us in the dark about what to expect, which is unfair to those of us working in tourism.

2. Tourism-Dependent Economy Can't Bear Additional Pressure

Hawaii's economy is heavily dependent on tourism, but its volatility creates significant risks, as we saw during the COVID-19 pandemic and other global disruptions. With one of the highest hotel tax rates in the country already in place, any additional tax hikes will make Hawaii less appealing to tourists. Fewer visitors will lead to job losses, decreased income for local workers, and a weakening of our already fragile economy.

3. Disaster Preparedness Should Be Shared Equally

Natural disasters like hurricanes, wildfires, and volcanic eruptions affect everyone—not just tourists. Why should the tourism industry bear the brunt of the costs for disaster response and resilience? A fair approach would spread the responsibility across all sectors of the economy, rather than placing an unfair burden on tourism-related businesses and their employees.

For these reasons, I strongly urge you to reject SB1396 SD3 HD2. Hawaii deserves sound, transparent financial planning, not uncertain tax increases that could destabilize our economy and harm local families.

Thank you for your time and consideration.

Sincerely,
Carmen Yu

SB-1396-HD-2

Submitted on: 3/31/2025 8:31:06 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
John M Kevan	Individual	Oppose	Written Testimony Only

Comments:

Another non-transparent bill putting more negative pressure on tourism, jobs and small businesses. When will you ever start doing your jobs and cutting government overhead and fat instead. We are the number 1 or 2 highest taxed tourist spot in the world and all your doing is chasing more and more away. In my opinion, you've at or already passed the tipping point and we will lose more jobs, businesses and more local residents and just become the playground for the rich.

Mahalo

john

SB-1396-HD-2

Submitted on: 3/31/2025 8:31:17 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Cloe Cadiz	Individual	Oppose	Written Testimony Only

Comments:

Dear Chair and Members of the Committee,

I was born and raised in Maui. My tourism job lets me afford to stay here, where I have deep roots. I'm writing to **oppose** SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and most importantly, it unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

It is a fallacy that the tourism industry is a "bottomless well" to be tapped for everything. We face unprecedented uncertainty due to Canada and Europe vowing to boycott anything American.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers. Maui is really struggling - please don't make our lives worse.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost among all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Mahalo, Cloe Cadiz

SB-1396-HD-2

Submitted on: 3/31/2025 8:33:20 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Aaron Magee	Individual	Support	Remotely Via Zoom

Comments:

Aloha,

My name is Aaron Magee, and I am speaking in support of HB504 HD1.

Born and raised on Oahu, in my short lifetime I've seen my favorite beaches and hikes rapidly increase in popularity with little to no visible increase in the support to preserve these areas.

Relying on Hawaii's steadily declining environment to continue attracting tourists is an unsustainable model.

Every other breath of air we take is made in our oceans. We cannot afford to rely on nature to continue taking on more responsibility to provide for us without appropriately investing back into it.

My experience seeing the decline in Oahu's ecosystem health is why I work in environmental conservation and in addition to state agencies such as the DLNR, nonprofit organizations must be recognized for their role on the frontline of stewardship, restoration, and education.

Tourist will only be resistant to a visitor fee if our islands aren't visibly more preserved. We must actually deliver a return on their investment and a crucial part of that means allocating a portion of the revenue to community initiatives and nonprofit organizations.

These groups have proven solutions and programs for stewarding our resources and to leave them out of the equation would be a clear misstep.

I urge you to include clear language supporting a NGO grant program to make it simple for our community organizations to access funding from this visitor fee.

To ensure this bill is truly effective, I recommend there be a dedicated NGO grant program to ensure funds support community initiatives, there be a public system for transparently reporting the use of funds, and an education component to show visitors how the fee works to keep Hawaii beautiful.

Mahalo for your time and consideration.

SB-1396-HD-2

Submitted on: 3/31/2025 8:35:13 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
maui tropical house	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and

Members of the Committee on Finance

Hawai'i State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is [Your Name], and I rely on Hawai'i's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawai'i's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawai'i less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawai'i needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Paolo Crociara

SB-1396-HD-2

Submitted on: 3/31/2025 8:50:06 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Betty	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and**Members of the Committee on Finance****Hawaii State House of Representatives****415 S. Beretania Street, Rm. #308****Honolulu, HI 96813****April 2, 2025 OPPOSITION TO SB1396 SD3 HD2****Dear Chair and Members of the Committee,**

My name is Betty, and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to

other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Betty

The Honorable Kyle Yamashita, Chair and
Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

April 1, 2025 **OPPOSITION TO SB1396 SD3 HD2**

Dear Chair and Members of the Committee,

My name is Virginia Dudden, and my husband Dan and I rely on Hawaii's tourism industry to support ourselves. I am oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) but does not set a clear percentage. Businesses, workers, and people like me deserve to know what to expect. This Bill is essentially a blank check to government. That's not fair to the many of us who are dependent upon tourism to pay our bills and live in Hawaii.

2. Why Stress on our Tourism-Dependent Economy?

Hawaii's economy heavily relies on tourism. Tourism and tourists are unpredictable and pose risks, as we saw during the COVID-19 pandemic and other global events that affect travel. Additionally, Hawaii and Oahu already have one of the highest hotel tax rates in the country. The result is that we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations like the Caribbean countries and Mexico. Fewer tourists will lead to job losses and decreased income for local workers, including Union workers.

3. Disaster Preparedness Is Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families. Please, do not continue to work toward inflicting a economic recession on our County and State.

Thank you for your time and consideration.
Virginia Dudden

Kailua, HI 96734

SB-1396-HD-2

Submitted on: 3/31/2025 9:10:58 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Dyan Mullen	Individual	Oppose	Written Testimony Only

Comments:

I oppose SB1396 SD3 HD2. It is unclear and does not specify amount of tax proposed. It also puts the burden on one sole industry. Please oppose this bill.

SB-1396-HD-2

Submitted on: 3/31/2025 9:19:18 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Roger R. Pleski	Individual	Oppose	Written Testimony Only

Comments:

I oppose all of these bills, SB1396, SD3 & HD2. Taxes have gotten out of hand. NO MORE
ADDITIONAL TAXES!!

SB-1396-HD-2

Submitted on: 3/31/2025 9:24:00 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Brian Paris	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and Members of the Committee on Finance Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 2, 2025 OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Brian Paris, and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Brian Paris

SB-1396-HD-2

Submitted on: 3/31/2025 9:42:37 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
James	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and

Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is James Lewis and I, and the entire state, rely on Hawaii's tourism industry to support our economy. I'm writing to oppose SB1396 SD3 HD2.

Do not continue to increase taxes on hotels, short term or mid term rentals. Fewer and fewer people will come to visit our Islands until we have no more of our tourist based enconomy left. What then???

Thank you.

James

SB-1396-HD-2

Submitted on: 3/31/2025 9:43:43 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Michael Brant	Individual	Oppose	Written Testimony Only

Comments:

NO! to further increases in the TAT! It's already punitively high. And Hawai'i's vital tourist business is already weak.

<https://www.sfgate.com/hawaii/article/hawaii-businesses-struggle-visitors-decline-20240245.php>

Tourists have choices and don't appreciate being taken advantage of. Our taxes have now reached the point where visitors are feeling insulted and used. I know I would think twice about a destination that adds 20% taxes!

Of course there are many worthy causes to support, but not at the expense of essential revenue sources.

NO to further counter-productive visitor tax burdens!

SB-1396-HD-2

Submitted on: 3/31/2025 10:12:25 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Cory McKim	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and

Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 2, 2025 **OPPOSITION TO SB1396 SD3 HD2**

Dear Chair and Members of the Committee,

My name is Cory McKim, and I rely on Hawaii's tourism industry to support my family. I'm writing to **oppose SB1396 SD3 HD2** because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,
Cory McKim

SB-1396-HD-2

Submitted on: 3/31/2025 11:35:40 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Elen Stoops	Individual	Oppose	Written Testimony Only

Comments:

Strongly Oppose. Hawaii's reputation has already been damaged as a vacation destination.

This can only lead to a lesser future for all of their residents who rely upon income tied to visitors.

Testimony in Support of SB1396
House Committee on Finance
Position: Support

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Jack Kittinger, and I am submitting written personal testimony in strong support of SB1396, which would help dedicate funding toward Hawai'i's natural and cultural resources that sustain the safety of our people, place, and economy. I have worked for years to establish and support the Care for 'Āina Now (CAN) initiative focused on increasing funding to support our environment and natural resources, which are our best defense against climate-driven tragedies like the Lāhainā wildfire.

The people of Hawai'i are currently grappling with the consequences of underinvesting in our natural resources and the protection they give our communities and economy. The science is clear: we are experiencing increased fires, floods, droughts and other climate-driven threats that harm the places we love, which also sustain our visitor industry. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai'i. It is logical to ask visitors to help contribute to caring for the environment they enjoy during their stay, and SB1396 offers an existing program to do so.

The protection, management, restoration, and stewardship of Hawai'i's natural resources is an essential piece toward gaining resilience as an island to climate disasters. Healthier watersheds are less likely to flood, restored coral reefs protect our shorelines from storms, and removal of invasive plants protect us from wildfires. Enacting this legislation will help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

When it comes to this important work, nonprofit organizations and community groups are on the frontlines, and are leading the way in stewardship. It's important that any funding generated from visitors is distributed to solutions that are community based and facilitate partnerships between community and agencies. **I therefore recommend the inclusion of a community grant program as an addition to this bill, to work in partnership with the State to fulfill our stewardship needs.** For example, in my own backyard, Mālama Maunaloa is doing important work to restore watersheds, reduce invasive species, and increase coral reef health – this work compliments the efforts of DLNR.

There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. *The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee.* Visitors and residents agree: giving back to the places you visit is more than acceptable, it is necessary.

This is the year elected leaders must act to keep our communities safe. We have watched the consequences of underinvestment in our 'āina, and we cannot wait another fire, flood, or bleaching season without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations.

I urge this committee to pass SB1396 this session.

Mahalo nui for your courage and leadership, and for the opportunity to testify.

Jack Kittinger, PhD

SB-1396-HD-2

Submitted on: 4/1/2025 2:51:31 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Cheryl Vohaska	Individual	Oppose	Written Testimony Only

Comments:

OPPOSE SB 1396, SD3, HD2

Submitted by Cheryl Vohaska

I oppose ever giving government a blank check which is exactly what this Bill does.

It is both reckless and non transparent to impose more taxes on tourism in an undetermined amount to support natural disasters that potentially may occur. This is an unstable and unreliable source of funding which is essentially a blank check that may bounce in the event of a natural disaster.

This action sends the message "we are incapable of financially mitigating natural disasters", so visitors will have to be financially responsible for this task and "our own residents are not capable of participating in caring for their own State".

This portrays weakness from the government of Hawaii and sends the message "we need tourism to mitigate natural disasters".

Tourism is currently way down in large part due to the messaging efforts of elected officials, so taxing tourism is not a stable source of funding for natural disasters let alone anything at this time.

Additionally, this contradicts the message officials have been sending that "Hawaii doesn't want or need tourists or to rely on tourism!"

These taxes are further burdening the tourism industry while Hawaii is in what the Governor declared a 'tourism state of emergency'.

A very, very confusing and weak message.

If Hawaii is trying to eliminate much of tourism at the same time, they are working at eliminating the very tax revenue source they are trying to generate from! That is the definition of insanity.

Leaders really need to stop talking out of both sides of their mouths when it comes to tourism and tax revenue from tourism. It is beyond naive to think tourists have a threshold i what they are willing to spend on a trip to the Islands. They are already going elsewhere and saying they will never return. This is deeply hurting the economy of Hawaii, especially in Maui. Hurt the economy, hurt your own constituents.

SB-1396-HD-2

Submitted on: 4/1/2025 3:13:52 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Robert R. Ellison	Individual	Oppose	Written Testimony Only

Comments:

SB1396 will be bad for the State of Hawai'i. As a tourist destination, Hawai'i is already pricing itself out of the market. For my TVU, the guest reviews are very good, but the one area that is always the lowest is "value for money." That is not a reflection on the property itself, which is moderately priced, but on Hawai'i in general.

Hawai'i isn't the only choice that tourists have. When acquaintances ask me about vacationing in Hawai'i, I honestly tell them that they will get much more for their money in French Polynesia, Southeast Asia or Central or South America. Air fares are not much different, and costs on the ground are much cheaper. Many destinations in those areas are also safer than Hawai'i, where there is growing anti-tourism sentiment, in part because the State tends to blame all its problems on the business sector that keeps it afloat - tourism. For US citizens, the only real advantage Hawai'i now offers is that a passport isn't required.

Tourists will continue make their dream "trips of a lifetime" to Hawai'i, if they can afford it, but fewer and fewer of them will be repeat visitors. Why come back to a place that is overpriced and has an anti-tourist attitude?

Please don't make Hawai'i even less competitive by adding on more costs. Being extremely expensive on top of its increasing anti-tourist reputation is going to seriously impact Hawai'i's economy, particularly during future economic downturns.

Sincerely,

Robert Ellison

Written Testimony Opposing SB1396 HD2

Submitted to the Hawaii State Legislature
April 1, 2025

To: Chair and Members of the Committee

Subject: Testimony in Opposition to SB1396 HD2 – Relating to Economic Development and the Transient Accommodations Tax

Aloha Chair and Committee Members,

I am writing in strong opposition to SB1396 HD2, which proposes an increase in the Transient Accommodations Tax (TAT) and expands its application to cruise ship cabins. While I support efforts to mitigate climate change and preserve Hawai‘i’s natural resources, I believe this bill, as written, is flawed in both form and implementation.

1. Transient Vacation Rentals Already Pay Their Fair Share of Taxes

Transient vacation rentals in Maui County currently pay a total of 17.96% in taxes, which includes:

- 10.25% State TAT
- 3% County TAT (authorized by Act 1, SLH 2021)
- 4.712% General Excise Tax (GET)

This cumulative tax rate is already among the highest lodging tax rates in the nation. Further increasing this burden disproportionately targets one sector of Hawaii’s tourism economy—vacation rental operators—many of whom are small, local property owners working hard to remain viable amid rising costs and tightening regulations.

2. The Proposed Bill Lacks Transparency

SB1396 HD2 proposes to increase the TAT but fails to specify the new tax rate. This omission leaves stakeholders and taxpayers in the dark. How can we meaningfully evaluate or provide input on the fiscal impacts of this legislation without a clear number? Legislating a tax increase without a defined rate is irresponsible and leaves room for unintended consequences.

3. Unfair Burden on One Segment of the Industry

This measure appears to frame vacation rentals as under-contributing to tax revenue. However, with digital tax collection agreements in place with platforms like Airbnb and Vrbo, compliance and collection have dramatically improved in recent years. Short-term rental operators are not tax cheats—they are already a major contributor to State and County budgets.

Meanwhile, cruise ship passengers—who often spend limited time on island and contribute

less per capita to local economies—are only now being brought into the TAT system. Rather than increasing taxes on those already paying, the Legislature should focus on enforcing equity and compliance across all sectors of the visitor industry.

4. Sustainable Tourism Should Not Be Built on Unsustainable Taxation

We all support climate resilience and environmental stewardship. But these critical investments should come from diversified, well-planned funding mechanisms, not a reactive tax hike targeting a limited portion of the visitor industry. Over-taxation of legal short-term rentals risks pushing visitors into unregulated or illegal accommodations, undermining both housing goals and tax compliance.

Conclusion

While the intentions behind SB1396 HD2 may be admirable, the execution is misguided. We need targeted, equitable, and clearly defined legislation—not vague and overreaching tax hikes. I urge the committee to defer this bill and return with a more thoughtful and inclusive approach to funding environmental resilience.

Mahalo for the opportunity to testify.

Respectfully submitted,

Joshua Tremblay

Honorable Kyle Yaashita Chair and Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania St, Rm #308

Honolulu, HI 96813

April 1, 2025

Regarding: My opposition to SD1396 SD3 HD2

Dear All,

I am troubled to learn that the legislature is considering more taxes to be paid by tourists visiting our islands. The lack of transparency in this proposal troubles me as well. How can a bill not specify the exact amount of the proposed tax? Is it 0.5%, 3%, 5% or what? I am aware that visitors now pay up to 17.25% taxes, how can they afford more? I already hear grumbling from visitors about the high taxes that incur to visit Hawaii.

Tourism helps support my family, and tourism is already being diminished. As the economy slows, prospective visitors cannot absorb more taxes. You must stop this. If my business volume declines due to more taxes, so suffers those I help to employ on the islands.

Sincerely,

Paul E. Stobie

SB-1396-HD-2

Submitted on: 4/1/2025 3:37:07 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Mike Jackson	Individual	Oppose	Written Testimony Only

Comments:

Creates an Unfair Burden – Natural disasters impact all residents and businesses, yet this bill forces tourism to bear the financial responsibility alone.

Hurts Small Businesses & Hawaii's Economy – Hawaii already has one of the country's highest transient accommodations taxes (TAT). Raising it further will make our state less competitive, impacting local operators and businesses.

Creating this new tax would undoubtedly hurt tourism in Hawaii and negatively affect all residents and businesses.

Please do not allow this Bill to pass

Thank You,

Mike

SB-1396-HD-2

Submitted on: 4/1/2025 3:52:20 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kim godell	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and

Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is kim godell and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,
Kim Godell

SB-1396-HD-2

Submitted on: 4/1/2025 3:54:36 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Charlie Godell	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and

Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Charlie godell , and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Charlie godell

SB-1396-HD-2

Submitted on: 4/1/2025 3:55:44 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Douglas White	Individual	Oppose	Written Testimony Only

Comments:

Aloha!

I strongly oppose this bill! I lost my home of 40 years in the fire, short term rental is my retirement income! You are threatening to take that away from us all together and even if you let us keep the vacation rental raising the tax will not help. The passage of this bill would ruin a lot of lives!

Douglas White

SB-1396-HD-2

Submitted on: 4/1/2025 4:10:21 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
lillie mcafee	Individual	Oppose	Written Testimony Only

Comments:

PLEASE VOTE NO

Hawaii's economy heavily relies on tourism, AND we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

SB-1396-HD-2

Submitted on: 4/1/2025 4:22:48 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Mary Jones	Individual	Oppose	Written Testimony Only

Comments:

My name is Mary L Jones and I rely on the tourism

You can't just raise the TAT without setting a percentage. We ready have a very high TAT and in order to make a living in this industry one needs to know the expenses that one is going to incure.

Hawaii relies on tourism in order to be a viable State. Much of the state has restaurants, condo's and hotel rooms that are catered to those who visit the Island. If you continue raising TAT we will loose our tourism.

Why do we only have to pay for Diaster Preparedness it the responsibilty of everyone.

For the above reasons I urge you to reject SB1396 SD3 HD2

We need financial planning not us tax increases this would hurt our families and workers

Thank you for your time

Mary L Jones

SB-1396-HD-2

Submitted on: 4/1/2025 4:35:29 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Roger Li	Individual	Oppose	Written Testimony Only

Comments:

Dear Chair and Committee Members,

I am submitting this testimony in **strong, unequivocal opposition** to SB1396 SD3 HD2—a bill spearheaded by **Senator Jarrett Keohokalole**—which represents a dangerous overreach of government power, an assault on private property rights, and an economic gut-punch to working-class homeowners and small businesses across Hawai‘i.

This bill is not about “community preservation” or “responsible tourism.” It is a **calculated political maneuver** that targets law-abiding property owners, many of whom have spent years operating in full compliance with the law, paying taxes, supporting the local economy, and creating jobs. Meanwhile, state and county agencies have failed to provide real housing solutions or enforce the laws already on the books.

Let’s be clear: **SB1396 will not fix the housing crisis.** What it will do is **destroy livelihoods, devalue investment properties, and drive more local families into financial ruin.** If your goal is to choke the middle class, destabilize retirement plans, and invite litigation against the State, then yes—this bill succeeds.

It’s also likely unconstitutional. Retroactively stripping property rights without due process is not just unethical—it’s **legally indefensible.**

Let’s not forget that Hawai‘i’s economy is built on tourism. The government has for decades promoted it, taxed it, and relied on it. Now, you want to turn your back on the very homeowners who’ve helped sustain that economy—people like me. This is hypocrisy, plain and simple.

If you're serious about finding solutions, start with **enforcement of existing laws** and real data. Don't scapegoat responsible property owners to score political points.

SB1396 SD3 HD2 is deeply flawed, economically reckless, and fundamentally unjust. I urge this committee to reject it outright.

Sincerely,

Roger

SB-1396-HD-2

Submitted on: 4/1/2025 4:54:02 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Rebecca Gr	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this bill which discrimi nates against small businesses trying so hard to operate and we cannot afford another blow to our finances.

SB-1396-HD-2

Submitted on: 4/1/2025 4:54:23 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Cyndi Reese	Individual	Oppose	Written Testimony Only

Comments:

I oppose SB1396 because this bill unfairly puts the financial burden of disaster preparedness on the tourism industry and has not set the percentage of tax increase. Hawaii can not keep considering the tourism industry as a unlimited pot of funds to tap into. If anything, Hawaii must support tourism as it brings in tax money to support the budget. Tourism is down and it is being felt throughout Hawaii's economy.

On the mainland, I have frequent conversations with friends who say the same thing. "Going to Maui is too expensive and I used to go there every year. I can't afford to stay in a hotel, and now they are trying to close down STRs where I could actually afford to bring my family. The people of Hawaii don't want us there -- look at what they post on Facebook. "

Once you say tourism is not wanted, it sticks to the consumers mind. Hawaii has shot itself in the foot in its recovery because it has lost its balance. Tourism is not a dirty word. It is a way to support the economy, just like the wine business and Disneyland supports California. Making a vacation out of reach hurts everyone Adding exhorbitant taxes and fees is not going to bring back recovery.

SB-1396-HD-2

Submitted on: 4/1/2025 5:13:22 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Holley & Clark Richards	Individual	Oppose	Written Testimony Only

Comments:

Dear Chair and Members of the Committee,

We are Clark & Holley Richards who own a condo on Maui. We oppose SB1396. because:

1. This bill proposes an unclear tax increase.
2. Please do not bite the hands that feed your economy. We beleive it would be far better for everyone if the state would promote tourism rather than discourage visitors because of exhorbitent taxes and fees.
3. Hawaii is at a tipping point. If the state continues to increase the cost of vacationing in Hawaii people will go elsewhere. It could take decades to reverse the economic damage.

Thank you for your time and consideration.

Sincerely,

Clark & Holley Richards

SB-1396-HD-2

Submitted on: 4/1/2025 5:26:29 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ken Kribel	Individual	Oppose	Written Testimony Only

Comments:

I am against SB1396. Hawaii already has the highest tourists taxes in the world. Increasing taxes is not the answer. Managing expenses and cutting government spending is the answer and responsibility of our leaders.

SB-1396-HD-2

Submitted on: 4/1/2025 5:27:36 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Danny Cox	Individual	Support	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and**Members of the Committee on Finance****Hawaii State House of Representatives****415 S. Beretania Street, Rm. #308****Honolulu, HI 96813****April 2, 2025****OPPOSITION TO SB1396 SD3 HD2**

Dear Chair and Members of the Committee,

Our names are Danny Cox & Cheryl Novak, and we are a Hawaii property owner who rents out a condo to help support our family. I am writing in opposition to SB1396 SD3 HD2 because it proposes an unclear tax increase, relies too heavily on unpredictable tourism revenue, and unfairly shifts the cost of climate resilience onto a single industry.

1. Vague Tax Proposal Creates Uncertainty

This bill would raise the Transient Accommodations Tax (TAT), but it does not specify by how much. As a property owner who depends on consistent and fair tax policy to make responsible financial decisions, this lack of clarity is troubling. It amounts to handing over a blank check without knowing the consequences—and that’s simply not responsible governance.

2. Hawaii’s Tourism-Based Economy Is Already Fragile

Our economy depends heavily on tourism, but it’s an unpredictable industry. We’ve all seen how global events like the pandemic and natural disasters can cause sudden drops in visitor numbers. Hawaii already has one of the highest hotel tax rates in the country, and we are seeing signs of a slowdown in tourism. Further increasing the tax risks making Hawaii less attractive to visitors,

which directly impacts property owners like me who rely on tourism to sustain our rentals—and in turn, our families.

3. Climate Resilience Should Be a Shared Commitment

Climate change affects all of us—residents, property owners, businesses, and tourists alike. Yet this bill places the financial responsibility for disaster resilience squarely on the tourism sector. That's not fair or sustainable. We need a more equitable solution that shares the burden across the broader tax base rather than targeting one group.

For these reasons, I respectfully urge you to reject SB1396 SD3 HD2. Hawaii needs thoughtful, transparent planning—not unstable tax hikes that place undue strain on local property owners and the broader economy.

Thank you for your time and consideration.

Sincerely,
Danny Cox & Cheryl Novak

SB-1396-HD-2

Submitted on: 4/1/2025 5:29:25 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Bruce Busch	Individual	Oppose	Written Testimony Only

Comments:

Seriously, the Hawaii tourism industry is being decimated right now and you're considering more taxes? Read the room. Not to mention the fact that tying disaster relief to such an undeprndable resource is objectively irresponsible. Taxing to oblivion is just that. Vote responsibly.

SB-1396-HD-2

Submitted on: 4/1/2025 5:38:23 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jeffrey Likes	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and

Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 1, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Jeff Likes and I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting fixed parameters. Businesses and workers deserve to know what to expect. Lawmakers are asking for a blank check which is not fair to those of us whose retirement relies on tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Jeff Likes

The Honorable Kyle Yamashita, Chair and
Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

April 1, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Jenelle Morella, and my family's livelihood depends on Hawaii's tourism industry. I strongly oppose SB1396 SD3 HD2 because it introduces an unclear tax increase, relies on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry instead of sharing it among all residents.

Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without specifying a clear percentage. Businesses, workers, and families like mine deserve transparency about the financial impact. Lawmakers are essentially asking for a blank check, which is unfair to those of us who depend on tourism for our income.

Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses significant risks, as seen during the COVID-19 pandemic and other global disruptions. With one of the highest hotel tax rates in the country, we are already seeing a decline in visitors. Any additional tax increase could further deter travelers, making Hawaii less competitive and leading to job losses and reduced income for local workers.

Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just impact tourists—they affect all of us. Yet this bill unfairly places the entire financial burden of disaster preparedness on the tourism industry. A more equitable approach would distribute these costs across all taxpayers, rather than singling out one sector and its workers.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Thank you for consideration.

Sincerely,
Jenelle M. Morella

SB-1396-HD-2

Submitted on: 4/1/2025 5:49:49 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Gregory M Sherwood	Individual	Oppose	Written Testimony Only

Comments:

My name is Greg Sherwood and I oppose SB1396. I employ individuals in the tourist industry and this bill will hurt my employees because this increase in tax will deter tourists from choosing Maui lodging choices reducing the need for my employees.

After the numerous increases in tourist taxes over the past few years, adding another tax on top makes it that more difficult for visitors to choose Maui.

Tourists have many choices when it comes to travel and the Maui has one of the highest tourist taxes in the world. Most people with an understanding of tax impact know that the higher the tax, the less people will choose to come to where that tax is highest. Even if it's Maui!

As much as some would like to see tourists go away, an island such as Maui cannot afford to drive away more tourists. It is the lifeblood of the island whether we like it or not.

For these reasons, I request that you reject SB1396

Sincerely,

Greg Sherwood

SB-1396-HD-2

Submitted on: 4/1/2025 6:00:41 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Junior	Individual	Support	Written Testimony Only

Comments:

A;oha Senate Committees on Economic Development and Tourism and Agriculture and Environment.

Please support this bill and allow for our visitor population to help us with these critical issues. We know no one likes a tax, however our dependancy of visitors leaves little option. Visitors stress our infrastructure, jeopardize our enviroment and this is a small cost to them to provdie support that can be used for a greater purpose. Please pass the ability to create a special fund and do not place a cap on the contributions or even the tax rate, we never know what the future hold.

Mahalo from Maui, a fire survivor in FEMA housing,

SB-1396-HD-2

Submitted on: 4/1/2025 6:07:24 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Laura Hughes	Individual	Support	Written Testimony Only

Comments:

Aloha and thank you for your time and consideration,

I write in full support of SB1396.

As a Marine Biologist and Climate/human rights activist I support this bill. My life as an activist began while I grew up in Honolulu, over the years I've witnessed the destruction of multiple once pristine beaches. It is not to say overtourism is the sole reason for this, however it is a large factor. It is well known tourism in Hawai'i harms residents the businesses benefiting the most from tourist spending are not locally owned, money made does not stay in other-words. Taxing tourists for their stay is an effective solution to unsustainable overtourism, this is particularly relevant when considering cruise ships. Cruise ships are notoriously harmful to the environment, and to humans, with many operating in shady manners. When looking for examples of successful tourist taxes look to Venice, a city that has suffered enormously as a consequence of overtourism. Last year the city of Venice introduced a tourist tax for visitors last year and as a result raised a sum of 2.2 million euros for social programs, this tax is set to increase this year and the contributions will be returned to the residents of the city via social support programs. I believe that the city and county of Honolulu too could benefit from applying a tourist tax to visitors, and like Venice the city of Honolulu should invest these funds in the community and in environmental restoration programs.

Thank you for your time,

~Laura Hughes

SB-1396-HD-2

Submitted on: 4/1/2025 6:15:13 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Daniel Jacob Steimel	Individual	Oppose	Written Testimony Only

Comments:

Dear Members of the House Finance Committee,

I am writing to express my strong opposition to SB1396 SD3 HD2, which proposes amendments to the Transient Accommodations Tax (TAT) and its application to cruise ship cabins, as well as appropriations for environmental and tourism-related initiatives. While I support efforts to protect Hawaii's natural resources and promote sustainability, I believe this bill could have unintended negative consequences for Hawaii's economy and tourism industry.

Key Concerns:**1. Economic Burden on Tourism:**

- Increasing the TAT and extending it to cruise ship cabins risks making Hawaii a less attractive destination for both land-based and cruise travelers. Tourism is a cornerstone of Hawaii's economy, and higher costs could deter visitors, especially as other destinations compete aggressively for tourist dollars.

2. Impact on Local Businesses and Jobs:

- The tourism industry supports thousands of local jobs and businesses. A decline in visitor numbers due to increased taxes could lead to job losses and reduced income for small businesses that rely on tourist spending.

3. Cruise Industry Challenges:

- Assessing the TAT on cruise ship cabins based on docking time may discourage cruise lines from including Hawaii in their itineraries. This could reduce the number of visitors arriving via cruises, further impacting local economies in port towns.

4. Lack of Clarity on Fund Allocation:

- While the bill appropriates funds for environmental stewardship and sustainable tourism, it lacks clear metrics or accountability measures to ensure these funds are used effectively. Without transparency, there is a risk of mismanagement or inefficiency in achieving the bill's stated goals.

5. Timing Amid Economic Recovery:

- As Hawaii continues to recover from the economic impacts of the COVID-19 pandemic, now is not the time to impose additional financial burdens on an industry critical to our state's recovery and long-term stability.

While I recognize the importance of addressing climate change and protecting our natural resources, these goals must be balanced with maintaining a robust economy that supports local residents. I urge lawmakers to reconsider SB1396 SD3 HD2 and explore alternative solutions that achieve environmental objectives without jeopardizing Hawaii's economic vitality or tourism sector.

Thank you for considering my concerns. I respectfully request that you vote against this measure in its current form.

Sincerely,
Dan Steimel

SB-1396-HD-2

Submitted on: 4/1/2025 6:15:58 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Linda Twilling	Individual	Oppose	Written Testimony Only

Comments:

We oppose this bill. Raising taxes on our tourists only undermines our tourism industry. Our small business is already down by 50% and we do not need further obstacles to run a business. The burdens of protecting against fires and climate change are shared by us all and we should work together to mitigate this very real danger. Please oppose these bills that put an unfair burden on our visitors and small businesses.

SB-1396-HD-2

Submitted on: 4/1/2025 6:16:45 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Bijun Sun	Individual	Oppose	Written Testimony Only

Comments:

Dear Chair and Members of the Committee,

My name is Bijun Sun, and I rely on Hawai‘i’s tourism industry to support my family. I’m writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That’s not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawai‘i’s economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawai‘i less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone’s Responsibility

Hurricanes, wildfires, and volcanic eruptions don’t just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawai‘i needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

**Sincerely,
Bijun Sun**

SB-1396-HD-2

Submitted on: 4/1/2025 6:24:31 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Dawn Mason	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and Members of the Committee on Finance**Hawaii State House of Representatives****415 S. Beretania Street, Rm. #308****Honolulu, HI 96813****April 1, 2025****OPPOSITION TO SB1396 SD3 HD2****Dear Chair Yamashita and Members of the Committee,**

I am writing to express my opposition to SB1396 SD3 HD2. This bill proposes a tax increase that lacks clarity, relies on unstable tourism revenue, and unfairly burdens the tourism industry with funding climate resilience.

Key Concerns with SB1396 SD3 HD2

- Unclear Tax Increase:** The bill proposes raising the Transient Accommodations Tax (TAT) without specifying a clear percentage. This uncertainty is unfair to businesses, workers, and families who depend on tourism for their livelihood.
- Unstable Tourism Revenue:** Hawaii's economy is heavily reliant on tourism, which is inherently unpredictable. The COVID-19 pandemic and other global events have demonstrated the risks of relying on tourism revenue. With one of the highest hotel tax rates in the country, we are already experiencing a decline in tourism. Any further increase could deter visitors, making Hawaii less competitive and leading to job losses and decreased income for local workers.
- Unfair Burden on Tourism Industry:** Disaster preparedness and response should be a shared responsibility among all taxpayers, not just the tourism industry. Hurricanes, wildfires, and volcanic eruptions affect everyone, not just tourists. A more balanced approach would distribute the cost of disaster response across all taxpayers, rather than placing an undue burden on tourism workers and businesses.

For these reasons, I strongly urge you to reject SB1396 SD3 HD2. Hawaii needs responsible, transparent financial planning that prioritizes stability and fairness, rather than unstable tax increases that could harm our economy and local families.

Thank you for your time and consideration.

Sincerely,

Dawn Mason

SB-1396-HD-2

Submitted on: 4/1/2025 6:32:07 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Cara Birkholz	Individual	Oppose	Written Testimony Only

Comments:

Thank you for the opportunity to testify. I OPPOSE bill SB1396 SD3 HD2. Maui's tourism economy has taken several hits over the past few years, first from Covid, then from the 2023 fires. Many local visitor-related businesses and also restaurants are struggling, mine included.

Hawaii already has one of the highest visitor tax rates in the Country. In the past few years the transient accommodations tax has increased from 10.25% to 13.25% when the State gave itself a raise by no longer transferring the Counties' portion, instead allowing them to collect their own TAT of 3%. Prices to come to Hawaii area already sky high, please don't increase them even more.

Cara Birkholz

Kihei

SB-1396-HD-2

Submitted on: 4/1/2025 6:33:08 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Dunfa Xi	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and**Members of the Committee on Finance****Hawaii State House of Representatives****415 S. Beretania Street, Rm. #308****Honolulu, HI 96813****April 2, 2025 OPPOSITION TO SB1396 SD3 HD2****Dear Chair and Members of the Committee,**

My name is Dunfa Xi, and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to

other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Dunfa Xi

SB-1396-HD-2

Submitted on: 4/1/2025 6:33:11 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Mingcheng Chen	Individual	Oppose	Written Testimony Only

Comments:

My name is Mingcheng Chen, and I am an Airbnb homeowner in Hawaii. I respectfully submit this testimony to oppose the proposed bill that further restricts tourism in our state.

Even though my property generates rental income that is more than twice the amount of my monthly mortgage payment, the financial burden imposed by the General Excise Tax (GET), the Transient Accommodations Tax (TAT), and the O’ahu Transient Accommodations Tax (OTAT) leaves me barely breaking even. These taxes significantly diminish my profit margins, despite strong rental performance.

As a small business owner, I rely on tourism to maintain my livelihood and contribute to the local economy. The added fiscal pressure not only jeopardizes my ability to continue operating my rental but also discourages others from investing in tourism-related ventures. This outcome would ultimately harm the economic diversity and resiliency of our communities.

I urge you to consider the severe impact these taxes have on small-scale property owners and to support measures that provide relief.

Thank you for your attention to this matter.

Sincerely,

Mingcheng Chen

SB-1396-HD-2

Submitted on: 4/1/2025 6:34:36 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Chris Maune	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and**Members of the Committee on Finance****Hawaii State House of Representatives****415 S. Beretania Street, Rm. #308****Honolulu, HI 96813****April 2, 2025 OPPOSITION TO SB1396 SD3 HD2****Dear Chair and Members of the Committee,**

My name is Chris Maune and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to

other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Chris Maune

SB-1396-HD-2

Submitted on: 4/1/2025 6:35:02 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Weiping Dou	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and**Members of the Committee on Finance****Hawaii State House of Representatives****415 S. Beretania Street, Rm. #308****Honolulu, HI 96813****April 2, 2025 OPPOSITION TO SB1396 SD3 HD2****Dear Chair and Members of the Committee,**

My name is Weiping Dou, and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to

other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Weiping Dou

SB-1396-HD-2

Submitted on: 4/1/2025 6:49:00 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Terence Tang	Individual	Oppose	Written Testimony Only

Comments:

Dear Committee,

I am writing to express my strong opposition to SB1396 SD3 HD2, which proposes an unspecified increase in the Transient Accommodations Tax (TAT). As someone who relies on Hawaii's tourism industry to support my family, I am deeply concerned that this bill introduces financial uncertainty, places an unfair burden on a single industry, and risks harming our already fragile tourism economy.

1. Lack of Transparency in Tax Increases

The bill proposes raising the TAT without specifying a clear rate, leaving businesses, workers, and families in the dark about the financial impact. It is unreasonable to expect the tourism industry to accept a tax increase without clear details. Any tax policy should be transparent, predictable, and subject to thorough public review before implementation.

2. Increased Strain on a Volatile Industry

Hawaii's economy depends heavily on tourism, an industry that has proven to be highly vulnerable to global events, as seen during the COVID-19 pandemic. Hawaii already has one of the highest hotel tax rates in the nation, and further increases will make our state less competitive compared to other destinations. Higher costs will discourage visitors, leading to a decline in tourism, job losses, and financial hardship for local workers and businesses.

3. Climate Resilience Costs Should Be Shared Fairly

Disaster preparedness and climate resilience are responsibilities that impact all residents, not just those connected to the tourism industry. Hurricanes, wildfires, and volcanic eruptions affect our entire community. Funding for these critical efforts should be equitably distributed across all taxpayers rather than singling out one sector to bear the cost.

For these reasons, I urge you to **reject SB1396 SD3 HD2** and instead pursue responsible, transparent financial planning that does not disproportionately harm Hawaii's tourism industry, its workers, and the families who depend on it.

Thank you for your time and consideration.

Sincerely,

Terence Tang

SB-1396-HD-2

Submitted on: 4/1/2025 6:59:34 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Mitch Maxwell	Individual	Oppose	Written Testimony Only

Comments:

Please kill this bill! It is a terrible idea! We cannot continue to burden tourists (the lifeblood of our economy) and we cannot have an open-ended tax that lacks transparency, as this one does. This is an awful idea.

SB-1396-HD-2

Submitted on: 4/1/2025 7:01:48 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Karen Amicone	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and

Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 2, 2025 OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Karen Amicone

SB-1396-HD-2

Submitted on: 4/1/2025 7:05:25 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Tamara Bexton	Individual	Oppose	Written Testimony Only

Comments:

Tourists are already not coming. This bill would disrupt this industry, and many Hawaiian resident's livelihood, even further.

SB-1396-HD-2

Submitted on: 4/1/2025 7:07:08 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
barbara bowling	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I oppose!

We have already been severely damaged with the Lahaina fires. Please do not make it more difficult for those of us that choose to love Hawaii.

mahalo,

barbara bowling

SB-1396-HD-2

Submitted on: 4/1/2025 7:12:10 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Charlotte Frank	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs, Vice Chairs, and Members of the Committee,

My name is Charlotte Frank and I am submitting written testimony in strong support of SB1396, which would help dedicate funding toward Hawai‘i’s natural and cultural resources that sustain the safety of our people, place, and economy.

We are watching the consequences of underinvesting in our ‘āina impact the people and places we love. Coral bleaching, fires, floods, and brown water pollution are harming the environment that sustains our visitor industry and economic livelihoods. This consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks come. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai‘i. Enacting legislation like SB1396 could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

The protection, management, restoration, and stewardship of Hawai‘i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. We know that community organizations are working on the frontlines of resilience, adaptation, and stewardship, and this measure will empower experts across Hawai‘i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai‘i.

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them

are more likely to visit Hawai'i with an enacted fee. Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary.

We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,

Charlotte Frank

SB-1396-HD-2

Submitted on: 4/1/2025 7:15:28 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Dana Keen	Individual	Oppose	Written Testimony Only

Comments:

Dear Chair and Members of the Committee,

I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

SB-1396-HD-2

Submitted on: 4/1/2025 7:20:45 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Karan Marsh	Individual	Oppose	Written Testimony Only

Comments:

We strongly OPPOSE SB1396 SD3 HD2 for the following reasons:

SB1396 SD3 HD2 does not specify a tax rate increase, meaning the final number could be set after public testimony closes. Truly not a fair way to set law.

SB1396 SD3 HD2 links disaster preparedness to tourism revenue which is shortsighted, given the tourism's vulnerability to global and local crises.

Natural disasters impact all residents and businesses, yet this bill forces tourism to bear the financial responsibility alone.

Hurts Small Businesses & Hawaii's Economy – Hawaii already has one of the country's highest transient accommodations taxes (TAT). Raising it further will make our state less competitive, impacting local operators and businesses.

We urge to to please not pass this measure as written.

The Honorable Kyle Yamashita, Chair and
Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

April 1, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is **Sandra LaBaugh** and I am dependant on Hawaii's tourism industry to support my family. I'm writing to **oppose SB1396 SD3 HD2** because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Tourism-Dependent Economy Cannot Take More Stress

Hawaii already has one of the highest hotel tax rates in the country, and we are already seeking a decline in tourism. With Maui County tax, the total property use tax for tourists currently totals approximately 18% on their rental in Maui. Tourists are already feeling shocked by this amount as it is not an insignificant part of their total lodging cost. Any additional increase could deter visitors, making Hawaii less competitive compared to other destinations. Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. This tax increase would result in fewer tourists, leading to job losses and decreased income for local workers.

2. Unclear Tax Increase Hurts Local Workers

Lawmakers here are essentially asking for a blank check. This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. That's not fair to those of us who make a living in tourism.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2. Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,
Sandra LaBaugh

SB-1396-HD-2

Submitted on: 4/1/2025 7:27:44 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Benton Kealii Pang, Ph.D.	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and members of the Committee,

Mahalo for the opportunity to testify in *strong support* of SB1396, a critical measure to support the long-term resilience of our ‘āina and communities. As someone who has spent over three decades working in conservation science and community restoration efforts across Hawai‘i, I can say with certainty: we cannot afford to wait another year. Our natural and cultural resources—and the people who care for them—need support now.

The amendments to SB1396 provide clarity and direction. The bill now explicitly supports funding for environmental stewardship, climate mitigation, and the protection, management, and restoration of natural resources. These are not just environmental goals—they are community goals. Our residents, including many Native Hawaiian communities, are already leading this work. They know the solutions that work best for their lands and coastlines. What they need is sustainable funding to scale that work.

The expansion of the Transient Accommodations Tax (TAT) to include cruise ship cabins is a reasonable and overdue adjustment. Our visitors benefit from Hawai‘i’s unique ecosystems and cultural landscapes, and it’s only fair that they contribute to their protection.

We cannot risk another disaster—whether it’s wildfires, floods, or the slow erosion of cultural heritage. Federal funding alone is not reliable enough to protect Hawai‘i’s environmental sector. By investing in local solutions, this bill strengthens our resilience and our self-determination.

SB1396 is supported by residents and visitors alike. Our communities are calling for action, and this committee has a vital opportunity to respond.

Please advance SB1396 and help move us toward a more sustainable, self-reliant, and resilient Hawai‘i.

Mahalo for your time and commitment.

Me ka ha‘aha‘a,**Benton Keali‘i Pang, Ph.D.**

Pālolo, O‘ahu

Native Hawaiian Biologist & Community Advocate

SB-1396-HD-2

Submitted on: 4/1/2025 7:28:52 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jane Thomas	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and

Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Jane Thomas. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Jane Thomas

The Honorable Kyle Yamashita, Chair and
Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

April 1, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Larry Levine and I own a condo in Kaanapali for the past 40 years. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Larry B. Levine

SB-1396-HD-2

Submitted on: 4/1/2025 7:39:19 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Mary Pedretti	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and

Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 2, 2025 **OPPOSITION TO SB1396 SD3 HD2**

Dear Chair and Members of the Committee,

My name is Mary Pedretti and I rely on Hawaii's tourism industry to support my family. I'm writing to **oppose SB1396 SD3 HD2** because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families. You are taxing us and visitor's way to much. Visitors are already not coming as often and it is killing our businesses and employees.

Thank you for your time and consideration.

Sincerely,

Mary Pedretti

SB-1396-HD-2

Submitted on: 4/1/2025 7:50:33 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Theresa Harden	Individual	Oppose	Remotely Via Zoom

Comments:

OPPOSITION TO SB1396 SD3 HD2

I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism. **TOURISM IS ALREADY OVERTAXED!**

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that **WILL** hurt tourism, our economy and local families.

Thank you for your time and consideration.

SB-1396-HD-2

Submitted on: 4/1/2025 7:52:08 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Deb Price	Individual	Oppose	Written Testimony Only

Comments:

PLEASE NO NEW TAXES! you're killing our economy here on Maui!!! Ships can't even dock here on West Maui, and there really is nothing to see in Kahului, so they'll just stop coming here.. this is a NO BRAINER STOP TAXING EVERYONE TO DEATH.. Use money wisely instead of chasing away business!

SB-1396-HD-2

Submitted on: 4/1/2025 7:54:41 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
ALEXANDER KAMINER	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and**Members of the Committee on Finance****Hawaii State House of Representatives****415 S. Beretania Street, Rm. #308****Honolulu, HI 96813****April 2, 2025 OPPOSITION TO SB1396 SD3 HD2****Dear Chair and Members of the Committee,**

My name is Alexander Kaminer, and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to

other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Alexander Kaminer

SB-1396-HD-2

Submitted on: 4/1/2025 7:57:54 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Stephanie Moreno	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and

Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is [Your Name], and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Stephanie Moreno

SB-1396-HD-2

Submitted on: 4/1/2025 8:02:32 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Heather Wade	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and**Members of the Committee on Finance****Hawai'i State House of Representatives****415 S. Beretania Street, Rm. #308****Honolulu, HI 96813****April 2, 2025 OPPOSITION TO SB1396 SD3 HD2****Dear Chair and Members of the Committee,**

My name is [Your Name], and I rely on Hawai'i's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawai'i's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawai'i less competitive compared to

other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawai'i needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Heather Wade

SB-1396-HD-2

Submitted on: 4/1/2025 8:03:17 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jennifer Evans	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and

Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Jennifer Evans, and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Jennifer Evans

SB-1396-HD-2

Submitted on: 4/1/2025 8:12:04 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Shelley Longland	Individual	Oppose	Written Testimony Only

Comments:

To whom it may concern,

I oppose this bill. Any increase in Transient Accommodation Tax will further negatively affect tourism. Tax on stays in Hawaii are already one of the highest in the country. Please consider voting "no" on this bill.

Shelley Longland
Kihei

The Honorable Kyle Yamashita, Chair and
Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

April 1, 2025

OPPOSITION TO SB1396

Dear Chair and Members of the Committee,

I own a legal short term rental for which I pay a STR permit fee and STR property taxes. I rely on Hawaii's tourism industry to support myself. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding disaster preparedness on a single industry.

- Unspecified Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) by an unknown amount. How can we prepare without knowing what the increase will be? You are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

- Tourism-Dependent Economy Cannot Take More Stress

Times are tough and we already have one of the highest hotel tax rates in the country. We are already seeing a decline in tourism and I am personally seeing less bookings. Any tax increase will deter visitors who are already angry at the amount of tax we have to charge. This is making Hawaii less competitive compared to other destinations and more people are choosing Mexico or the Caribbean. This TAT increase will result in fewer tourists, leading to job losses and decreased income for local workers.

- This is not the way to fund Disaster Preparedness

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? Our guests are an easy target because they don't vote in Hawaii. But we are already losing guests who are choosing to vacation elsewhere because our accommodation taxes are already ridiculously high. This will be the final straw and will hurt all of us who make our living in the tourism industry, possibly irreparably. There are other ways to spread the burden more equitably.

I urge you to reject SB1396 SD3 HD2. Hawaii needs responsible, transparent financial planning, not unstable tax increases that will hurt our economy and local families.

Thank you for your time and consideration.

Regards,
Catherine Panizzi

The Honorable Kyle Yamashita, Chair and
Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

April 1, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

I am writing to **oppose SB1396 SD3 HD2** because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

I own a short-term rental on Maui that directly relies on a healthy tourism economy. I strongly oppose SB1396 SD3 HD2 because it threatens to economically harm my property manager and her employees who rely on revenues generated by short-term rentals.

Hawaii's tourism industry is already suffering due to rising airfares, inflation, and economic uncertainty. Visitor numbers will further erode by introducing new fees and a higher taxes. Visitors will simply choose to go elsewhere.

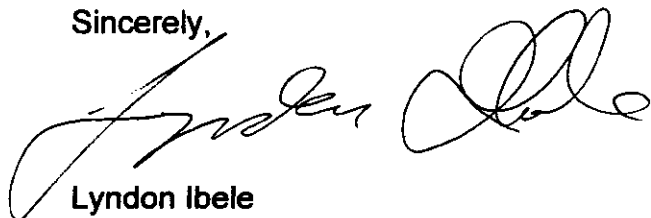
The Maui-based rental management company that I utilize relies on a steady flow of visitors. Additionally, local businesses (restaurants, tours, transportation services, gift shops) will further suffer with an increased loss of tourism. Maui tourism has suffered enough due to mixed messaging since the Lahaina wildfires. Enough already! Hawaii cannot tax its way to prosperity.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't further harm the Maui economy.

I urge you to reject SB1396 SD3 HD2.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lyndon Ibele', is written over the printed name.

Lyndon Ibele

Michael Giannini
4242 Lower Honoapiilani Rd
Lahaina, HI 96761
808-830-1400

April 1, 2025

The Honorable Kyle Yamashita, Chair and
Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

RE: **OPPOSITION TO SB1396 SD3 HD2**

Dear Chair and Members of the Committee,

My name is Michael Giannini and I rely on Hawaii's tourism industry to support my family and retirement. I'm writing to **oppose** SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. This is just unheard of in our current climate to be more, not less, transparent with the community. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Having worked as a first responder for over thirty years, I understand the importance of funding public safety support programs. Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject **SB1396 SD3 HD2**.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families. Thank you for your time and consideration.

Respectively,

Michael Giannini

SB-1396-HD-2

Submitted on: 4/1/2025 8:34:54 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Debbie Wyand	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this bill.
Just STOP increating tax burdens.
balance your budget.

Work with the money you have.
NO new taxes.

WE HAVE HAD ENOUGH.

SB-1396-HD-2

Submitted on: 4/1/2025 8:36:11 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
William Coleman	Individual	Oppose	Written Testimony Only

Comments:

To whom it may concern,

I understand the reaction to the fires in Lahaina and I can certainly empathize with wanting to have more affordable housing.

I am a condo owner in the Kapalua Ridge Villas. I purchased this property in 2021 with the full understanding that the property was legally entitled to a short term rental laws, in that, I could rent this property out in a short term rental arrangement with not risk.

Historical laws are important to economic decisions citizens make in the United States. If this law passes, I will be forced to make decisions. If I had a inkling of these laws changing this dramitcally in 2021, which ultimately affect my decisions related to this property purchase, I may have made a different decision or may have decided to pass on this opportunity.

Take backs are traditionally frowned upon in the United States, and as such, I find this current policy vote short sighted and not focused on the primary aim of affordable housing.

If my property were affordable to these displaced populations, I think Maui would have a different argument; however, I do not believe the average Hawaiian displaced citizen (Lahaina or otherwise) can afford a montly burden of \$10,000 US dollars. This amount represents the current mortgage, property taxes, upkeep, the HOA fees, etc. I have worked hard in my life to afford this "luxuries" and as such, I've made decisions on where I want to invest my economic gains.

I believe you are horribly misleading the average Maui citizen in believing that somehow a condo in one of the most desired locations on the planet is affordable, by affordable, I mean something that represents the average household income. These properties are NOT affordable and as such should be treated as workforce housing, affordable rents, etc.

If you want to make more affordable housing, change zoning, water, electical laws such that building affordable housing becomes a more present reality. Incentivize builders, re-zone areas for workforce housing, etc This policy decision will not only affect current tax revenue streams, employment, but you will create panic econmic decisions on behalf of homeowners who purchased these properties in good faith based on established law.

These STR laws have been litigated three times and three times have been upheld. Why does Maut now think they can once again change laws that have established precedence. This will only result in said landholders litigating this issue for years, wasting the same tax payer money that could be better used to create catalysts for new affordable housing initiatives.

Do not do this, as it will only result in bad outcomes and not solve the primary problem of providing more affordable housing on Maui. It will result in waste, erosion of good will, and ultimately no gain.

SB-1396-HD-2

Submitted on: 4/1/2025 8:37:50 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Tim Duchene	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and**Members of the Committee on Finance****Hawaii State House of Representatives****415 S. Beretania Street, Rm. #308****Honolulu, HI 96813****April 1, 2025, OPPOSITION TO SB1396 SD3 HD2****Dear Chair and Members of the Committee,**

My name is Tim Duchene, and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a precise percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check, which is not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive than other

destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Tim Duchene

10 Wailea Ekolu Pl #607

Wailea, HI 96753

SB-1396-HD-2

Submitted on: 4/1/2025 8:40:28 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
David Eckert	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and

Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is David Eckert, and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

David Eckert

SB-1396-HD-2

Submitted on: 4/1/2025 8:50:39 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Valarie Leal	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 1st, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Valarie Leal and I rely on Hawaii's tourism industry to support my elderly parents. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism, why not tax big hotel corporations and not us? More than nine hundred thousand residents had left the islands because of how unsustainable is leaving here. We are trying to make ends meet but with this unknown increase, you may be seeing a higher exodus of residents who work with the tourism to supplement our Kapuna income.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase

could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Sincerely,

Valarie Leal

April 1, 2025

Kathy Giannini
4242 Lower Honoapiilani Rd.
Lahaina, HI 96761

The Honorable Kyle Yamashita, Chair and
Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

RE: OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Kathy Giannini and I rely on Hawaii's tourism industry to support my family. I'm writing to **oppose SB1396 SD3 HD2** because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families. Thank you for your time and consideration.

Sincerely,
Kathy Giannini

SB-1396-HD-2

Submitted on: 4/1/2025 8:51:57 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Helena Von Sydow	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and

Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 1, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Helena von Sydow, and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Helena von Sydow

SB-1396-HD-2

Submitted on: 4/1/2025 8:54:21 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Harald von Sydow	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and

Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Harald von Sydow, and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Harald von Sydow

SB-1396-HD-2

Submitted on: 4/1/2025 8:56:29 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Carissa Cabrera	Individual	Support	Written Testimony Only

Comments:

Position: Support

Chair, Vice Chair, Members of the Committee,

By supporting SB1396, you are supporting the safety of the public by investing in the very foundation of our communities and economy. For years, our communities have called for leadership in this area. We cannot risk another wildfire, flood, and polluted waterway. It's time we care for the environment the way it has cared for us.

Mahalo,

Carissa Cabrera

SB-1396-HD-2

Submitted on: 4/1/2025 9:02:02 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Amber Datta	Individual	Support	Written Testimony Only

Comments:

I am writing in full support of SB1396. This funding is long overdue and we cannot wait another year to support efforts to care for 'āina, especially with the unreliability of federal funds so clear this year. Please pass this bill without delay.

SB-1396-HD-2

Submitted on: 4/1/2025 9:07:08 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Dale Mustard	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

While the intent behind allocating these funds is necessary and commendable, the lack of transparency regarding the amount of the increase is deeply concerning. There needs to be a clearly defined figure; otherwise, this could spiral out of control.

Hawaii's tourism industry is already struggling in the aftermath of the Lahaina fire, compounded by an unstable economy and global uncertainty. Visitors are highly cost-conscious, and with rising tariffs and economic instability, why are we pushing for additional price increases? This approach is shortsighted and poorly timed.

Now is not the time for this increase. When the time is right, the amount must be explicitly determined. Too many livelihoods depend on the tourism industry—stop adding to our burdens when we are already struggling.

SB-1396-HD-2

Submitted on: 4/1/2025 9:15:54 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Joshua Montgomery	Individual	Oppose	Written Testimony Only

Comments:

**The Honorable Kyle Yamashita, Chair
Members of the Committee on Finance
Hawai'i State House of Representatives
415 S. Beretania Street, Room 308
Honolulu, HI 96813**

April 2, 2025**RE: Opposition to SB1396 SD3 HD2****Aloha Chair Yamashita and Members of the Committee,**

My name is Joshua Montgomery, and I'm a coffee farmer on the Big Island. Like many local families, we rely on hosted vacation rentals to help make ends meet. The extra income from visitors staying on our farm helps us keep the land productive and our kids fed. I'm writing today to strongly oppose SB1396 SD3 HD2.

This Bill is Too Vague and Too Risky for Working Families

This bill would raise the Transient Accommodations Tax, but doesn't even say by how much. That's not something we can plan for. We've got enough uncertainty already—from weather to market prices—without lawmakers adding more. It feels like you're asking for a blank check, and for families like mine, that's just not pono.

Tourism is Already Fragile—Don't Push It Further

Our islands depend on visitors, but tourism is a shaky thing. We all saw what happened during the pandemic. Even now, with rising costs and competition from other places, folks are thinking twice before booking that trip to Hawai'i. Raising taxes on visitors might sound like a good idea on paper, but in real life, it means fewer bookings, fewer guests, and less income for small local businesses and farms like mine.

We All Live Here—We All Should Share the Burden

Climate change is real, and we need to prepare for disasters. But fires, floods, and eruptions don't just hit hotels and vacation homes—they hit all of us. Why should only the tourism industry shoulder the cost? Preparedness should be everyone's kuleana. We need a fair solution that doesn't put the entire load on one group of workers and families.

For all these reasons, I respectfully ask you to vote no on SB1396 SD3 HD2. We need smart, fair solutions that lift everyone up, not unstable tax hikes that put more stress on local families already working hard to stay afloat.

Mahalo for your time and consideration,

**Joshua Montgomery
Kailua-Kona, HI**

SB-1396-HD-2

Submitted on: 4/1/2025 9:15:59 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Steve Cawley	Individual	Oppose	Written Testimony Only

Comments:

The Maui economy is depressed due to Covid impacts and the fires. Now, the federal government is slashing jobs across the US, and Canadians are starting to not travel to here. The people of Maui have suffered economically for long enough. Tourism is needed to help the people of Maui recover. I OPPOSE.

SB-1396-HD-2

Submitted on: 4/1/2025 9:18:53 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kris Adair	Individual	Oppose	Written Testimony Only

Comments:

**The Honorable Kyle Yamashita, Chair
Members of the Committee on Finance**

Hawai'i State House of Representatives

415 S. Beretania Street, Room 308

Honolulu, HI 96813

RE: Opposition to SB1396 SD3 HD2

Aloha Chair Yamashita and Committee Members,

My name is Kris Adair, and I'm a mother and a coffee farmer on the Big Island. Like many families here, we depend on hosted vacation rentals to make a living. It's one of the few ways we can keep our farm running and support our keiki.

SB1396 threatens to raise the TAT without saying how much. That kind of uncertainty is dangerous for families like mine who depend on tourism. We don't have tech companies or big factories out here—tourism is *the* industry that keeps Hawai'i going.

If we make it too expensive or too difficult for visitors to come, we hurt ourselves. We lose jobs, we lose income, and we lose the ability to stay on our land.

Please don't jeopardize the one industry we have. Vote no on SB1396 SD3 HD2.

Mahalo,
Kris Adair
Holualoa, HI

SB-1396-HD-2

Submitted on: 4/1/2025 9:18:54 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Liat Portner	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs, Vice Chairs, and Members of the Committee,

My name is Liat Portner and I am submitting written testimony in **strong support** of SB1396, which would help dedicate funding toward Hawai‘i’s natural and cultural resources that sustain the safety of our people, place, and economy. I live on O‘ahu and grew up in Mānoa Valley. I live in Hale‘iwa and drive between the North and South side of the island a couple of times a week for work and to see my family. This drive has always inspired me, the Ko‘olau mountains going on in the background and the Mauna Ka‘ala rising up above everyone. This drive was *a driver* in my pursuit of natural resources management, conservation biology, and environmental education as a career. I longed to see the island from those places that loomed above us. I love our islands. Taking care of them nourished me both physically and metaphysically.

But committing to this work comes with hard sacrifices. Early career professionals often have to work two jobs to be able to pay rent. I personally sacrificed the norm of "being on my own" and lived with my parents through my young adulthood, and to this day I rent from them so that I can afford to live on O‘ahu AND do the work that I love.

As a professional community, we are also taxed by feelings of being undervalued, we all do this because we love this place, and it is amazing to be able to do work that sits in personal passion and for some familial kuleana (whereby both people and place are familial). However, we are all "doing the best we can, with the limited resources we have." And we all imagine, what could we do, what would it be like to be better supported?

It is also a blow to watch how our community chooses to use resources so unsustainably when it comes to visitors. You folks know the numbers, our islands resident population is monumentally surpassed by the number of transient visitors annually. And while these people stimulate our economy, they generate an equally monumental tax on our resources.

We are watching the consequences of underinvesting in our ‘āina impact the people and places we love. Coral bleaching, fires, floods, and brown water pollution are harming the environment that sustains our visitor industry and economic livelihoods. This consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage

when climate shocks come. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai'i. Enacting legislation like SB1396 could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

The protection, management, restoration, and stewardship of Hawai'i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. We know that community organizations are working on the frontlines of resilience, adaptation, and stewardship, and this measure will empower experts across Hawai'i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai'i. This is especially important as an interface for both kama'āina and visitors to learn about and give back to the 'āina.

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee. Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary.

We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,

Liat Portner

The Honorable Kyle Yamashita, Chair and
Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813a

April 1, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is James Sanford. and I rely on Hawaii's tourism industry for support and income. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. With current cancellations from Canada and international guests, we are in even drier straits. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a severe decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced

approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses. There is a large segment of those with extremely high end homes and second homes on Maui and these people with net worth and incomes at the highest end of the spectrum should also be paying their share and not place more burden on the people depending on tourism for minimal or average incomes.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

James Sanford

SB-1396-HD-2

Submitted on: 4/1/2025 9:23:43 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Nigel Meierotto	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and

Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 1, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is **Nigel Meierotto** and I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single unreliable industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and individuals like me deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism. You have to see the effect it's had on this beautiful community.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

Furthermore, economic uncertainty is already a threat under the federal administration, why threaten it at a local level as well?

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Nigel Meierotto

SB-1396-HD-2

Submitted on: 4/1/2025 9:43:47 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
richard liebmann	Individual	Oppose	Written Testimony Only

Comments:

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is **[Your Name]**, and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, **I urge you to reject SB1396 SD3 HD2.**

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.
Sincerely,

Richard Liebmann

The Honorable Kyle Yamashita, Chair and
Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is **Sandra Worthington**, and I rely on Hawaii's tourism industry to assist in the support of my family. I'm writing to **oppose SB1396 SD3 HD2** because it proposes an undetermined tax increase, relies on unpredictable tourism revenue, and unjustly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase is detrimental to Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. We are invested in Maui and can see our investment eroding in value. Lawmakers here are basically asking for a blank check. That's not fair to those of us who are dependent on tourism for our financial stability.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we have already seen a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers. The tourist industry has already been eviscerated by Covid and messages after the fire in Lahaina telling the world not to come to Maui. An increase in taxes passed onto tourists will certainly confirm that people will have an additional reason not to come to Maui.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced

approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Sandra Worthington, Esq.

SB-1396-HD-2

Submitted on: 4/1/2025 9:55:05 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Alex Filardo	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs, Vice Chairs, and Members of the Committee,

My name is Alex Filardo and I am submitting written testimony in strong support of SB1396, which aims to increase the transient accommodations tax and dedicate the additional funding towards environmental stewardship, and the care of our biocultural resources that sustain Hawai‘i.

We are watching the consequences of underinvesting in our ‘āina. We see coral bleaching, fires, floods, and brown water pollution harming the places we love and the places that sustain our visitor industry. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai‘i. It is time to ask visitors to help contribute to caring for the environment they enjoy during their stay, and the TAT offers an existing program to do so.

The protection, management, restoration, and stewardship of Hawai‘i’s natural resources is an essential piece toward gaining resilience as an island to climate disasters. Healthier watersheds are less likely to flood, restored coral reefs contribute to food security, and caring for our islands sustains the economic livelihoods of our communities. But when it comes to this important work, nonprofit organizations and community groups have already undertaken this kuleana and are leading the way in stewardship. It’s important that any funding generated from visitors is distributed to solutions that are community based and facilitate partnerships between community and agencies. I recommend the inclusion of a community grant program to work in partnership with the Department of Land & Natural Resources to fulfill our stewardship needs. These organizations are the primary ones doing the work on the ground. I have worked with state and federal government agencies and I am able to acknowledge and recognize all of the work that the nonprofits and community groups do for our ‘āina.

There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai‘i with an enacted fee. Visitors and residents agree: giving back to the places you visit is more than acceptable, it’s necessary.

This is the year elected leaders must act to keep our communities safe. We have watched the consequences of underinvestment in our ‘āina, and we cannot wait for another fire, flood, or bleaching season without a solution. This measure is a critical step toward a future where Hawai‘i is protected, cared for, and healthy - for our communities, economy, and future generations.

I urge this committee to pass an environmental stewardship fee this session.

Mahalo for the opportunity to testify,

Alex Filardo

House Committee on Finance
April 1, 2025
Subject: Support for SB1396

Dear Chair Lowen and Members of the Committee,

I am Melissa Chimera, a Landcare Program Specialist working with Dr. Clay Trauernicht, the UH Mānoa wildfire scientist on land stewardship as it relates to wildfire planning and mitigation. Preserving and protecting Hawaii's natural resources is a career-long concern of mine, having worked in ecological protection, Pacific island wildfire science and environmental education since 1996—for the Hawaii Army National Guard, the Nature Conservancy, Haleakala National Park, and the Hawaii Wildfire Management Organization.

I have previously submitted testimony and continue to support Senate Bill 1396 in its various versions, which would ensure that when our state has the necessary revenue via the TAT tax to help our communities adapt to climate change. It is a small measure to help offset the tremendous impacts of the visitor industry—particularly the carbon footprint from air travel—on our natural resources. This measure takes a necessary step toward addressing the impacts of climate change while supporting responsible tourism management in Hawai'i.

I strongly support the state investing in the resilience of our communities, environment, and public infrastructure so we can better withstand extreme weather events and disasters. What happened in Lahaina could have happened to many communities across the state. This bill is a common-sense solution that ensures we are using our resources to prepare for the challenges of future disasters and make smart, long-term investments in the future of our environment and people.

The revenue generated from this tax increase can be directed toward initiatives such as vegetation management for wildfire prevention. I respectfully urge this committee to pass SB1396, as it will provide crucial funding for climate change adaptation and responsible tourism management, both of which are essential for the long-term prosperity and sustainability of our islands.

Thank you for the opportunity to submit this testimony.

Sincerely,



Melissa Chimera
Landcare Program Specialist
University of Hawai'i at Mānoa
Department of Natural Resources and Environmental Management
808-280-2669

Testimony
April 1, 2025

To: Hawaii State Senate and House

RE: SB1396 SD3 HD2 2025

From: Kelli Lundgren, Resident, Maui, Hawaii

Oppose SB1396 SD3 HD2.

In 1994, Hawaii was collecting 5% tax on Transient Accommodations, including hotels and permitted short-term rentals. At that time, the funds were shared with the counties, and the nightly revenues were far less. Twenty years later, Hawaii is now collecting 9.25% TAT on hotels and STRs, the nightly rates have tripled or quadrupled, and the state does not share this tax with the counties. Significant revenues are being collected.

This new bill leaves the TAT percentage rate blank beginning Jan. 1, 2027, with the expectation to climb further, at least for STRs, according to the bill.

Maui STRs in particular collect 9.25% TAT for Hawaii and 3% TAT for Maui County. Excise added, too. These rates cannot keep climbing, pricing out tourists.

Our nation is about to experience a significant decrease in tourism due to the U.S. federal government shunning and scaring tourists, particularly Canadians, South Americans, and Europeans. Too, abrupt tariffs will likely cause our economy to recede, further reducing tourism. If you start charging higher and higher TAT taxes, the world will find more hospitable places to visit. Please don't pass this bill.

Environmental protections and disaster contingencies: they should already be in Hawaii's current budget. If they are not, please take a greater portion of the budget and dedicate it to the environment. I believe the DLNR only receives 1% of Hawaii's budget for environmental protection. That's too small. Give the DLNR more of the current budget. It's the right thing to do.

Aloha, and mahalo for your consideration.

Kelli Lundgren

SB-1396-HD-2

Submitted on: 4/1/2025 10:07:38 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Robert Oswald	Individual	Oppose	Written Testimony Only

Comments:

OPPOSITION TO SB1396 SD3 HD2

Dear Chairs and Members,

By way of introduction: Robert and Stephanie Oswald, owner/operators of Tranquil Palms Bed & Breakfast (fully licensed) on Maui.

Our home business directly relies on a healthy tourism economy.

Today we submit urgent testimony in **strong opposition to SB1396 SD3 HD2** because it threatens the economic foundation that supports our sole income source - our B&B.

Hawai'i's tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new tax on rewards-based stays and an **unclear increase in the Transient Accommodations Tax (TAT)** will make our islands even LESS attractive to visitors.

We must not take visitor demand for granted—many other destinations are competing for and Welcoming travelers who COULD have chosen Hawaii.

"If you want less of something, tax it". Hawaii's high taxes, onerous fees, and anti-Aloha zeitgeist are sending vacation travelers to other destinations that are appreciative of their business. Imagine that!

Local Businesses and Workers Are Already Suffering

Tourism supports local businesses like restaurants, tours, transportation services, and retail shops. If fewer visitors come or they spend less due to higher costs, local jobs and incomes are directly affected.

As owner operators of a popular Bed & Breakfast, we rely on a steady flow of visitors. That flow is currently down 40% due to the perceived ill-will the Hawaiian government toward tourism. If this bill passes, it means more lost bookings, which will force us to reduce the money we pay cleaners and other contractors.

New Tax Revenue Must Be Transparent

While we fully support protecting the environment, Hawai'i has a history of misusing TAT funds, diverting money from its intended purposes. Before raising taxes, the state should audit existing TAT funds to ensure they are being used correctly instead of adding new financial burdens on visitors. And then LOWER the TAT to economically WELCOME visitors.

Hawai'i's economy relies on a balanced approach—we need to protect our environment without making our islands too expensive for visitors or unsustainable for local businesses. The bill under consideration threatens tourism at a time when we can least afford it.

Increasing taxes in these weak economic times is government negligence.

Urging you to oppose this bill and find responsible funding solutions that will not damage Hawai'i's largest economic contributor - tourism.

Thank you for your consideration.

Respectfully,

Robert & Stephanie Oswald
www.TranquilPalmsMaui.com

SB-1396-HD-2

Submitted on: 4/1/2025 10:15:41 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Bernard L Smit	Individual	Oppose	Written Testimony Only

Comments:

Honorable Maui government officials,

Maui is so incredibly beautiful and is extremely expensive to visit. In the strongest terms possible, I oppose increasing the cost for any tourist to visit maui. The tourism industry generates millions and millions of dollars for the Maui economy, continuing to increase the cost of visiting is going to be damaging long-term to the island and it's businesses.

Mahalo for your consideration

SB-1396-HD-2

Submitted on: 4/1/2025 10:16:20 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Josh McKim	Individual	Oppose	Written Testimony Only

Comments:

My wife and I reside on Maui fulltime with our 6 kids. We are small business owners who employ others on the island. Since the wildfires we have seen a severe drop in our businesses. Much of it is realated to the drop in tourism. People are choosing cheaper alternatives. We do not support this bill which makes it even more expenive for people to visit our beautiful islands and support businesses. Please decline this bill.

Thank you for your time and consideration.



April 2, 2025

The Honorable Kyle Yamashita
Chairman, Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

Subject: **Opposition to SB1396 SD3 HD2**

Dear Chairman,

I ask you to reject SB1396 SD3 HD2.

My name is Steve Bland and my wife, Connie, and I are fortunate to own an apartment rental at the Kihei Surfside Resort. The place zoned hotel has been operating there in the south of Kihei since 1974.

With the good fortune of owning a 502 square foot one bedroom apartment on the 2nd floor, we've been paying the handsome amount of over \$12K in property taxes in the last year, and almost \$12K in GET, TAT and MCTAT taxes on revenue.

In 4 years of ownership, we've seen our property assessment outpace the market and seen the monthly transient tax rate increase over 3%. Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you and best regards

A handwritten signature in blue ink that reads "Stephen Bland". The signature is written in a cursive, flowing style.

Steve Bland (Kihei Surfside Resort, #208)

SB-1396-HD-2

Submitted on: 4/1/2025 10:36:43 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Gordon LaBedz	Individual	Support	Written Testimony Only

Comments:

Strong Support

The state needs funds for conservation and resilience.

The tourism industry needs to pay for its fair share of its impacts.

SB-1396-HD-2

Submitted on: 4/1/2025 10:36:46 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Laurie R	Individual	Oppose	Written Testimony Only

Comments:

Aloha Senators and Chairs,

I am writing in opposition to SB1396. There are a variety of reasons why this Bill should be opposed by your committee.

1. This Bill first and foremost lacks transparency. How can a committee possibly pass a Bill that does not actually indicate a specific tax rate?
2. Once again, this Committee suggests that an unfair tax burden should be placed on one sector of the people. This group have been asked to shoulder more and more and more tax burdens each and every year. It is never a shared tax burden.
3. It simply hurts Hawaii's economy. I fear there is a threshold which the people will bear who visit Hawaii. They have many choices worldwide where they can travel. They are now choosing not to travel here. Traveling to Hawaii is now out of reach for most people who would love to enjoy the beauty of Hawaii and learn and take part in its culture. And it simply hurts small business for the most part.

Again, please do not pass this very destructive, hurtful bill.

Mahalo!

The Honorable Kyle Yamashita, Chair and
Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

I'm writing to **oppose SB1396 SD3 HD2** because it proposes an unclear tax increase, depends on unstable tourism revenue and will exacerbate the instability in current traveler volume, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. I can't recall tax proposal that was not accompanied with a specific amount or percentage. This is the height of irresponsibility in government.

2. Tourism-Dependent Economy Is Already Under Duress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and the 2023 fires in Maui. Add to that the threatened US tariffs on Canada on other frequent foreign tourism sources are resulting in discouraging those citizens from traveling to Hawaii. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter more visitors, making Hawaii less competitive compared to other destinations. Travel articles already encourage people to look at Europe as an alternative to Hawaii because they can get more bang for their buck abroad than in Hawaii. Visiting Hawaii is costly, and raising taxes does not help to stimulate this extremely important, and currently unstable, segment of our economy. Always putting the onus of revenue generation on higher taxes affecting our tourists and visitors will, inevitably, have negative repercussions. This would result in fewer tourists, leading to job losses associated with the hospitality and visitor industry, and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect ALL of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost among all taxpayers instead of putting all the pressure on tourism workers and businesses. I respect the desire to avoid unnecessary financial burdens on our local residents, and the hospitality industry has been, in the past, a reliable source of revenue to tap into. But as mentioned before, Hawaii's tourism numbers have not been steadily and consistently increasing since Covid and the Lahaina fires. Travelers are looking at other destinations. By assessing this financial burden on the

hospitality industry, you are, in effect, assessing this financial burden on the thousands of residents who work in the hospitality industry. If we have fewer visitors, we'll have lower tax revenues, even if rates go up.

For these reasons, I please reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Eric Steinberg

SB-1396-HD-2

Submitted on: 4/1/2025 10:41:23 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Pamela Polland	Individual	Oppose	Written Testimony Only

Comments:

Please do NOT pass this Bill. Firstly, it's much too vague, and secondly as a person who currently pays 17% combined taxes (GE, TA and MTAT) for my vacation rental, NOT counting property tax or income tax, another rate hike would be punitive. I've been legal for 11 years and pay my taxes every single month. Please don't pass this bill that would create further hardship for me, AND I'm a fire victim trying to recover!!! Enough already, ok? Mahalo, Pamela

The Honorable Kyle Yamashita, Chair and
Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Wendy Wong Thayer, and I rely on Hawaii's tourism industry to ensure that my family has a piece of our birthplace, which is enjoyed by 3 generations of Wongs and Thayers. Specifically, my father purchased a condo on Maui in the 1980's so that we would always have a place in Hawaii to return to. Employment opportunities dictated my move to the mainland, but I've returned to Hawaii as often as I can, usually with my family, and my children will return to Hawaii with their children to honor our heritage and our culture in Hawaii.

As part of a self-governing AOA, our condo has monthly maintenance and utility fees for which owners are responsible, in addition to our HO6 and hurricane insurance premiums and the significant property taxes annually for the condo. I need the tourism industry to help offset these overhead costs in order for me to continue keeping and using this personal and wonderful gift from my parents. I'm writing to **oppose SB1396 SD3 HD2** because it proposes an unclear tax increase, depends on unstable tourism revenue and will exacerbate the instability in current traveler volume, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who rely upon tourism to cover our costs and provide some income to allow us to live in Hawaii, or in my case, to continue to use what my father intended for us.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. Travel articles already encourage people to look at Europe as an alternative to Hawaii because they can get more bang for their buck abroad than in Hawaii. Visiting Hawaii is costly, and raising taxes does not help to stimulate this extremely important, and currently unstable, segment of our economy. Always putting the onus of revenue generation on higher taxes affecting our tourists and visitors will, inevitably, have negative

repercussions. This would result in fewer tourists, leading to job losses associated with the hospitality and visitor industry, and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect ALL of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses. I respect the desire to avoid unnecessary financial burden on our local residents, and the hospitality industry has been, in the past, a reliable source of revenue to tap into. But as mentioned before, Hawaii's tourism numbers have not been steadily and consistently increasing since Covid and the Lahaina fires. Travellers are looking at other destinations. By assessing this financial burden on the hospitality industry, you are, in effect, assessing this financial burden on the thousands of residents who work in the hospitality industry

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Wendy Wong Thayer

SB-1396-HD-2

Submitted on: 4/1/2025 10:42:35 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ricky Tabandera	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of SB1396 HD2**House Committee on Finance****Position: Support**

Aloha Chairs, Vice Chairs, and Members of the Committee,

My name is Ricky Tabandera and I am submitting written testimony in strong support of SB1396, which would help dedicate funding toward Hawai‘i’s natural and cultural resources that sustain the safety of our people, place, and economy. I am a life long resident of Hawaii island and have been an active participant in conservation actions around the state. My experience has given me a deep understanding of the value of these resources that are not accounted for in dollars and cents directly but are nonetheless benefiting our state. It is our duty to invest in protecting what we have left and I want to voice my vocal support for SB1396. We are delinquent in our investment in our natural resources and this is one tangible step in repaying our debt to our ‘āina.

We are watching the consequences of underinvesting in our ‘āina impact the people and places we love. Coral bleaching, fires, floods, and brown water pollution are harming the environment that sustains our visitor industry and economic livelihoods. This consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks come. It estimated **we need at least \$560 million each year** to effectively care for our natural and cultural resources in Hawai‘i. Enacting legislation like SB1396 could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

The protection, management, restoration, and stewardship of Hawai'i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. We know that community organizations are working on the frontlines of resilience, adaptation, and stewardship, and this measure will empower experts across Hawai'i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. **I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai'i.** I have first hand experience with NGOs and other conservation organizations that are very cost effective at taking limited resources and translating that into conservation and restoration efforts. I want the barrier to entry for new organizations to do this important work to be lower and this effort aligned with that goal

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. *The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee.* Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary.

We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,

Ricky Tabandera

SB-1396-HD-2

Submitted on: 4/1/2025 10:44:55 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Liz Lees	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill as it is poorly defined and does not specify the amounts. I also oppose it at a time when our state has a budget surplus. In a state where so much of our economy depends on tourism, an additional tax burden on tourists will hurt local workers and business owners.

All of Hawaii's citizens should contribute to help mitigate climate change, not just tourists.



April 1, 2025

Representative Kyle Yamashita, Chair
Representative Jenna Takenouchi, Vice Chair
House Committee on Finance
Hawaii State Legislature

Opposition to SB1396 SD3 HD2

Dear Chair Yamashita, Vice Chair Takenouchi and Members of the Committee on Finance,

Thank you for the opportunity to provide our testimony in opposition to SB1396 SD3 HD2.

Until the State of Hawaii, and all four counties have shown that they are fairly and equitably collecting the Transient Accommodations Tax (TAT) and General Excise Tax (GET) that are legally due from all accommodations types – hotels, timeshares and short-term vacation rentals - the Kohala Coast Resort Association (KCRA) will oppose any increases.

The KCRA conducts an economic and community impact report every two years. Through our attached 2024 report, it appears that the hotels and timeshares on the Kohala Coast paid the vast majority of the TAT collected from our island – more than \$75.7 million. And yet we represent only a portion of the hotels, timeshares, and short-term vacation rentals located on Hawaii Island.

Granicus/Host Compliance, which aggregates data from the hosting platforms and works with governments across the country, has been delving into the impact of unpaid TAT in Hawaii. They work with the County of Kauai and the City and County of Honolulu, and have provided proposals to the State Department of Taxation and Hawaii County. Granicus showed there were more than 8,700 unique short-term vacation rentals operating on Hawaii Island as of November 2024, with an average daily rate of \$347/night, and occupancy of 50%, based on DBEDT's vacation rental reports. If the TAT were equitably enforced and collected, those operators should have paid \$56.4M in TAT to the state, and \$16.5M in TAT to Hawaii County. And yet the budget line item for Hawaii County TAT for fiscal year 2023-24 was \$24M, \$17M of which was paid only by the members of the KCRA, leaving only a balance of \$7M. **The math just doesn't add up.**

Therefore, before the Hawaii State Legislature considers raising the TAT for any purpose, we believe it needs to fully enforce and collect the TAT and GET it is owed from all accommodations types.

Visitation to Hawaii is not a given. Visitors have more opportunities than ever before to visit destinations around the world. And Hawaii already has the reputation of having some of the highest visitor taxes in the world, as this article from the January 25, 2025 edition of *Travel+Leisure* attests - [What to Know About the Proposed Tourist Fee in Hawaii](#). Hawaii's high visitor taxes aren't just being discussed by lawmakers and the visitor industry, the visitors themselves, especially corporate meeting planners, are using our high visitor taxes as a justification to take their business to other destinations like Florida, the Caribbean and Mexico.

On behalf our 5,500 employees and their 17,500 family members, thank you for the opportunity to provide our comments.

Sincerely,

A handwritten signature in black ink that reads "Stephanie P. Donoho". The signature is fluid and cursive, with the first name being the most prominent.

Stephanie Donoho, Administrative Director

PO Box 6991, Kamuela, HI 96743 * (808) 747-5762 * kohalacoastresortassn@gmail.com * www.kohalacoastresorts.com



2024 Executive Summary - KCRA Economic and Community Impacts

- ❖ The Kohala Coast consists of a twenty-mile stretch on the northwest shore of the Island of Hawaii. The Kohala Coast is a part of both the North Kona and South Kohala districts of Hawaii County. The KCRA was established in 1984 by the developers of the master-planned resorts along the Kohala Coast. Over the last 40 years, the KCRA has grown to include Hualalai, Waikoloa, Mauna Lani and Mauna Kea Resorts, as well as the hotel and timeshare management companies located within those resorts.
- ❖ KCRA members have invested billions of dollars in private funding to develop and maintain the infrastructure within the resorts, which are utilized and enjoyed by residents and visitors alike. These include roadways, water, wastewater, parks, restrooms, shopping centers, historic sites, interpretive signage, and community facilities.
- ❖ When combined, the amount paid by KCRA members for GET, TAT, property taxes, payroll for their employees, construction and renovation projects, marketing efforts, agricultural enhancements, and charitable donations sums to more than \$815 million for 2023 alone.
- ❖ KCRA members operate 2,718 hotel rooms and 1,229 timeshares. The resorts also contain 778 resort residential units, home to both full and part-time Hawaii residents, as well as legal short-term vacation rentals. KCRA resorts also include shopping centers, golf courses, spas, and restaurants representing more than 100 small businesses.
- ❖ KCRA members represent 5 of the top 10 private employers on the island according to *Pacific Business News*. Collectively KCRA members employ nearly 5,500 residents, supporting more than 17,000 community members.
- ❖ The average salary and benefits package for employees of KCRA member properties is nearly \$82,000 per year, with starting salaries for full-time positions in the mid-\$50K. Starting hourly rates for employees average more than \$17.50/per hour.
- ❖ The vast majority of KCRA members' employees live in zip codes neighboring the Kohala Coast (96738, 96740, 96743, 96755, 96727). Less than 8 percent of KCRA members' employees live in East Hawaii (from 2022 report).
- ❖ In 2023 KCRA members paid more than \$44.3 million in GET and \$75.7 million in TAT to the State of Hawaii and County of Hawaii. KCRA's members, as well as the businesses and residents within our resorts, paid nearly \$151 million in property taxes to Hawaii County in 2023, accounting for more than one-third of all property taxes.
- ❖ Member resorts have spent more than \$658 million on construction and renovations since 2020. We also welcomed back Kona Village, which had been a previous member, was destroyed by the 2006 tsunami, and came back online in 2023. These construction upgrades allow Hawaii County to keep its competitive advantage as a visitor destination, while creating numerous jobs for other residents statewide in the construction industry. During the next six years our members will invest nearly \$1 billion more, including major hotel renovations at Mauna Kea Beach Hotel, and the creation of the first affordable rental housing project within a resort footprint in the State of Hawaii, with the development of Kumu Hou at Waikoloa Resort.
- ❖ KCRA members actively participate in the Hawaii Island Destination Management Action Plan (DMAP) and have led efforts on Hawaiian cultural education programming for visitors; promotion of local agricultural products through their restaurants and retail outlets; as well as stewardship and maintenance of the natural resources along the coastlines where resorts are located. KCRA resort employees supplement the work of our first responders and emergency services with privately funded safety and security personnel and lifeguard programs benefiting visitors and residents alike. In addition, KCRA members actively participate in the marketing and management activities of the destination, supplementing the funding allocated to the Hawaii Tourism Authority and Island of Hawaii Visitors Bureau, spending nearly \$200 million in private funds in the last four years.

- ❖ KCRA is proud that the leadership teams for our hotels, timeshare management companies and resorts are comprised of hundreds of local residents. At seven of our member properties more than 40% of their managers are from Hawaii, with one property leading our efforts with 85% of its management team from the state.
- ❖ KCRA members are incredibly generous, collectively donating more than \$2 million annually to local non-profit organizations. One signature event, hosted at KCRA member properties, is the Hawaii Lodging and Tourism Association's annual Visitor Industry Charity Walk. Since its inception more than 40 years ago, the Charity Walk has raised nearly \$20 million for local charities, and new fundraising records are established each year.
- ❖ In addition to their substantial financial contributions, employees at KCRA member properties also volunteer thousands of hours annually to community organizations. As leaders within their respective resort communities, KCRA members also introduce part-time and full-time residents who live in their respective resorts to philanthropic opportunities across the island and the state. As a collective, we work hard to address the high cost of living for members of our community who fall into ALICE designations.
 - KCRA members regularly support the Hawaii Island Food Basket, Salvation Army food drives, and their chefs and culinary teams provide support for community meal programs, such as the one at St. James Episcopal Church in Waimea, which reaches more than 950 families each week.
 - KCRA members are highly invested in environmental causes including: Four Seasons Resort Hualalai's Legacy Trees initiative, where more than 65,000 koa trees have been planted to protect watersheds; Mauna Kea Resort's partnerships with the Nature Conservancy and Hawaii Island Land Trust; and Fairmont Orchid's partnership with the Waikoloa Dry Forest initiative. KCRA members' employees and family members regularly gather for beach and road cleanup projects all along the Kohala Coast.
 - Many KCRA members volunteer with different hula halau, cultural clubs, sports teams and educational groups to showcase our island's diverse cultures and interests. Our members sponsor performances promoting the Hawaiian, Japanese, Portuguese, and Chinese cultures that make up our diverse island. We also host running, cycling, triathlons, paddling, golf, tennis and youth sports clinics and events.
 - Our KCRA team members serve on the board of directors for business, arts and cultural organizations; support educational, religious and community organizations; and even help defray the costs of education and home ownership, through our resident-driven ohana foundations.
- ❖ In addition to the arenas mentioned above, KCRA members provide vital support for other sectors including: retail – 3 shopping centers, restaurants, art galleries and pop-up small business incubators; services – real estate, architecture, landscape, interior design; special events – festivals, sports, weddings, photography, florists; natural resources stewardship - trails, bays, beaches, anchialine ponds, signage; and cultural preservation - historic sites, petroglyphs, and native Hawaiian cultural education programs.

Sustainable tourism management is exemplified by the members of the KCRA.

Craig Anderson, VP Operations, Mauna Kea Resort –President
 Pat Fitzgerald, CEO, Hualalai Investors – Vice President
 Charlie Parker, General Manager, Four Seasons Hualalai – Secretary
 Daniel Scott, Managing Director Rosewood Kona Village – Treasurer
 Chris Sessions, DOSM, Fairmont Orchid – Board of Directors
 Scott Head, VP Resort Operations, Waikoloa Land Company – Board of Directors
 David Givens, General Manager, Hilton Waikoloa Village – Board of Directors
 Rob Gunthner, Area VP Resort Operations, Hilton Grand Vacations – Board of Directors
 Pete Alles, Regional VP and GM, Mauna Lani, Auberge Resorts Collection – Board of Directors
 Mark Goldrup, General Manager, Waikoloa Beach Marriott – Board of Directors

SB-1396-HD-2

Submitted on: 4/1/2025 10:50:10 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
karen dawson-fortier	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and

Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is **Karen Dawson Fortier** and I rely on Hawaii's tourism industry to help support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry. It saddens me you think this is best for Maui..

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism. You have to see the effect it's had on this beautiful community.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. maui is dying and it has blood on your hands..

Additionally, with 2. Tourism-Dependent Economy Cannot Take More Stress Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses. For these reasons, I urge you to reject SB1396 SD3 HD2. Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Karen Dawson Fortier

SB-1396-HD-2

Submitted on: 4/1/2025 10:54:43 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Eli Warren	Individual	Support	Written Testimony Only

Comments:

I strongly support SB1396.

Kyle Yamashita, Chair and Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

April 1, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

We purchased our condo in the 80's. We rely on the revenue to pay our HOA dues, insurance, taxes, utilities, property manager's fees, maintenance, etc. At the end of the year, our condo does not generate that much in income. We are writing to **oppose SB1396 SD3 HD2** because it proposes an unclear tax increase....this seems very unfair to those it affects. If it is increased too high, then our condo will not rent and we will not be able to afford the bills. If we are forced to sell, I don't think locals will be able to afford the mortgage, the HOA fees, insurance and property taxes. We actually offered our condo to a couple after the Lahaina fires and their response was "we would never live in Kihei". I have heard that a lot of people feel this way. So, forcing us to sell our condo will probably not have any affect on those who need homes.

As far as Disaster Preparedness, this should be applied to all tax payers. Not just vacation rentals owners. Hurricanes, Fires, etc. effect everyone not just the tourists and off island condo owners. It should be everyone's responsibility. It is not fair to apply it only to us.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases.

Thank you for your time and consideration.
Sincerely,
Susan and Gregg Henrikson

SB-1396-HD-2

Submitted on: 4/1/2025 11:05:10 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kathie Schmid	Individual	Oppose	Written Testimony Only

Comments:

Dear Chair and Members of the Committee,

I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

SB-1396-HD-2

Submitted on: 4/1/2025 11:16:49 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
KEALA FUNG	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs, Vice Chairs, and Members of the Committee,

My name is Keala Fung and I am submitting written testimony in strong support of SB1396, which would help dedicate funding toward Hawai‘i’s natural and cultural resources that sustain the safety of our people, place, and economy. I live on Oahu and have worked in the tourism industry for 13 years, and have seen firsthand the devastating effect Tourism has on our lands. It is not sustainable and it cannot keep proceeding as it has been.

We are watching the consequences of underinvesting in our ‘āina impact the people and places we love. Coral bleaching, fires, floods, and brown water pollution are harming the environment that sustains our visitor industry and economic livelihoods. This consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks come. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai‘i. Enacting legislation like SB1396 could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

The protection, management, restoration, and stewardship of Hawai‘i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. We know that community organizations are working on the frontlines of resilience, adaptation, and stewardship, and this measure will empower experts across Hawai‘i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai‘i.

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai‘i with an enacted fee. Visitors and residents agree: giving back to the places you visit is more than acceptable, it’s necessary.

We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai‘i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,

Keala Fung, Honolulu

SB-1396-HD-2

Submitted on: 4/1/2025 11:24:00 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jared London	Individual	Support	Written Testimony Only

Comments:

I Jared London, am highly in support of SB1396 as it is very much so integral to the future and prosperity of Hawai'i Nei. The \$20 charges will go an extremely long way over both time and quantity of visitors to these islands towards both the restoration as well as the continued preservation of our cultural and natural sites and resources. We can use every penny when it comes to that protection and preservation as it is both necessary to keep Hawai'i Hawai'i, as well as preserve this place and its history and knowledge and its special connection to this world for the foreseeable future. I highly urge that this bill be passed and am in upmost support of this proposition

SB-1396-HD-2

Submitted on: 4/1/2025 11:25:08 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Douglass Adams	Individual	Support	Written Testimony Only

Comments:

Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee on Finance,

Thank you for the opportunity to testify in STRONG SUPPORT of SB1396 SD3 HD2, which amends the Transient Accommodations Tax (TAT) rate, assesses the TAT on cruise ship cabins based on the total time the cruise ship is docked at any port in the State, and appropriates funds to DLNR for protection, management, and restoration of the State's natural resources, as well as for environmental stewardship, climate and hazard mitigation, and sustainable tourism. This bill dedicates funding toward Hawai'i's natural and cultural resources that sustain the safety of our people, place, and economy. We are watching the consequences of underinvesting in our 'āina impact the people and places we love. Coral bleaching, fires, floods, and brown water pollution are harming the environment that sustains our visitor industry and economic livelihoods. This consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks come. It has been estimated that we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai'i. Enacting legislation like SB1396 could help support this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

I encourage the Committee to support this bill and move it to the House of Representatives with a recommendation for passage.

very respectfully

Douglass Adams

Hilo

SB-1396-HD-2

Submitted on: 4/1/2025 11:30:50 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Cathy Medina	Individual	Oppose	Written Testimony Only

Comments:

Honorable Kyle Yamashita

Committee on Finance
Hawaii State Legislature
State Capitol
415 S. Beretania St.
Honolulu, HI 96813

RE: Opposing SB1396 SD3 HD2

Aloha Chair Kyle Yamashita and Committee Members,

I'm writing to strongly oppose SB1396 SD3 HD2. While I fully support preparing for natural disasters and climate change, this bill isn't the right way to do it. It unfairly targets tourism, lacks transparency, and puts Hawaii's economy at risk.

One major issue with this bill is the lack of transparency. It does not even specify the tax increase, leaving the public in the dark about what is being proposed. How can we provide meaningful input if we don't know what we're being asked to support? Another concern is that it ties disaster preparedness funding to tourism taxes, which is an unstable and unreliable source. We've all seen how unpredictable the tourism industry can be, especially after COVID. What happens if revenue drops? This could leave disaster preparedness efforts underfunded when they are needed most.

Additionally, this bill places an unfair burden on the tourism sector, even though natural disasters affect everyone in Hawaii. It is unreasonable to expect one industry to carry the entire financial load for something that impacts all residents and businesses. On top of that, Hawaii already has some of the highest hotel taxes in the country. Raising them even more could make the state less attractive to visitors, ultimately hurting small businesses and local operators that rely on tourism to survive.

Hawaii needs a responsible and fair way to fund disaster preparedness—one that spreads the responsibility across all sectors, not just tourism. I urge you to oppose this bill and find a more balanced approach.

Mahalo for your time and consideration.

Cathy Medina

355 Front Street

808-269-4438

SB-1396-HD-2

Submitted on: 4/1/2025 11:33:17 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Sharna Law	Individual	Oppose	Written Testimony Only

Comments:

It is simply UNFAIR! NO BLANK CHECK! We can work together to move forward balancing tourism with jobs and livelihoods. Get back the Aloha in Hawaii! Stop the hate mongering of tourists who love our islands too. Hawaii is better than this unfair bill.

SB-1396-HD-2

Submitted on: 4/1/2025 11:34:01 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Mark Hixon	Individual	Support	Written Testimony Only

Comments:

Aloha FIN Committee Members,

This small tax on cruise ships results in funds being appropriated to DLNR for "protection, management, and restoration of the State's natural resources as well as for environmental stewardship, climate and hazard mitigation, and sustainable tourism." This bill description says it all. It's time for visitors to start paying a small amount to conserve and sustain our natural resources!

Mahalo,

Mark Hixon

SB-1396-HD-2

Submitted on: 4/1/2025 11:43:37 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Serena barrera	Individual	Support	Written Testimony Only

Comments:

More funding should go towards sources that are to help preserve the land and protect the people who are from here and live here.

SB-1396-HD-2

Submitted on: 4/1/2025 11:51:41 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Alexandra	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair

Members of the Committee on Finance

Hawai‘i State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair Yamashita and Members of the Committee,

Aloha, my name is Alexandra Pucherelli, and I was born and raised here on Maui. My family has lived on this land for generations, and like many locals, I work hard to provide for my ‘ohana and keep our home here in the islands. My livelihood depends on Hawai‘i’s visitor industry, which allows me to pay my mortgage, put food on the table, and raise my keiki here at home. I’m writing in strong opposition to SB1396 SD3 HD2 because it threatens my ability—and the ability of many other local families—to make ends meet.

1. This Bill Proposes an Unclear and Unfair Tax Hike

This bill suggests increasing the Transient Accommodations Tax (TAT) without specifying how much—leaving families like mine in the dark about what to expect. That’s like writing a blank check, and we all know that unchecked tax hikes end up hurting the very people they claim to protect. We deserve clear, transparent policies, not uncertainty that makes it harder for local families to plan for the future.

2. Tourism Is Already Struggling—We Can’t Afford More Setbacks

Hawai‘i’s economy depends on tourism, yet we’re already seeing visitors choosing other destinations because of rising costs. COVID-19 showed us how fragile this industry is, and with some of the highest hotel tax rates in the nation, we’re pushing people away. Travel publications are already steering tourists toward more affordable destinations in Mexico and Europe—raising taxes will only make this worse. When visitor numbers drop, it’s not just big hotels that suffer—it’s local workers, small business owners, and families like mine who rely on short-term rentals to survive.

3. Disaster Preparedness Is a Shared Responsibility

We all know the reality of living in Hawai‘i—hurricanes, wildfires, and volcanic eruptions don’t just affect tourists, they affect all of us. So why should only the visitor industry be responsible for funding disaster response? This burden should be shared fairly across the entire community, not placed on the backs of local families who are already struggling to make ends meet.

For these reasons, I urge you to vote NO on SB1396 SD3 HD2. Our islands need smart, responsible financial planning—not another unstable tax increase that puts more pressure on local businesses and families.

Mahalo for your time and consideration.

Alexandra Pucherelli

Aloha Chairs, Vice Chairs, and Members of the Committee,

My name is Lynette Williams. I was born and raised in Kalihi, and currently reside in Kaneohe. I strongly support SB1396, which would help dedicate funding to protect Hawai'i's irreplaceable natural and cultural resources. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take on their kuleana to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action. The time to care for our 'āina is now!

Mahalo for the opportunity to testify,
Lynette Williams

April 1, 2025

The Honorable Kyle Yamashita, Chair
& Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Room #308
Honolulu, HI 96813

Subject: OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

We are Bruce & Sue Sakashita and we rely on Hawaii's tourism industry to support us. We are writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers and families like ours deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists – they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families. For these reasons, we urge you to reject SB1396 SD3 HD2.

Mahalo,

Bruce & Sue Sakashita
272 Pualei Drive #6, Lahaina, HI 96761

The Honorable Kyle Yamashita, Chair
and Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

April 1, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Piper Gianola, and I rely on Hawaii's tourism industry to support myself in retirement. I have only my social security and rent from my vacation rental to sustain me month to month. I'm writing to oppose SB1396 SD3 HD2 in part for that reason, but also because the bill proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Piper Gianola
Lahaina resident and fire victim

SB-1396-HD-2

Submitted on: 4/1/2025 12:00:27 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
kalena woodhall	Individual	Support	Written Testimony Only

Comments:

I support!

SB-1396-HD-2

Submitted on: 4/1/2025 12:02:28 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Melissa Clauson	Individual	Oppose	Written Testimony Only

Comments:

**The Honorable Kyle Yamashita, Chair
Members of the Committee on Finance**

Hawaii State House of Representatives
415 S. Beretania Street, Room 308
Honolulu, HI 96813

April 1, 2025**RE: OPPOSITION TO SB1396 SD3 HD2**

Dear Chair Yamashita and Members of the Committee,

My name is **Melissa M Clauson**, and I rely on Hawaii's tourism industry to support my family. I am writing to express my strong opposition to SB1396 SD3 HD2, as it proposes an undefined tax increase, relies too heavily on volatile tourism revenue, and unfairly places the burden of funding climate resilience on a single sector.

1. Vague Tax Increase Creates Uncertainty for Local Families

This bill suggests raising the Transient Accommodations Tax (TAT) without specifying a clear percentage. Families like mine, along with businesses and workers across the state, deserve transparency and predictability. As it stands, this legislation amounts to a request for a blank check, which is not a responsible way to govern—especially when livelihoods are at stake.

2. Tourism Industry Cannot Shoulder More Strain

Hawaii's economy is deeply dependent on tourism, yet this industry is highly sensitive to global disruptions—as we saw during the COVID-19 pandemic. With Hawaii already having one of the highest hotel tax rates in the country, we're beginning to see a decline in visitor numbers. Increasing this tax risks pushing even more tourists away, threatening jobs, incomes, and the overall economic stability of countless local workers.

3. Climate Resilience Should Be a Shared Responsibility

Natural disasters like hurricanes, wildfires, and volcanic eruptions impact all of us—not just tourists or those employed in tourism. It is unreasonable to expect one industry alone to bear the full cost of disaster preparedness and response. A more equitable approach would distribute this responsibility among all taxpayers, reflecting the shared nature of the risks we face.

For these reasons, I respectfully urge you to oppose SB1396 SD3 HD2. Hawaii deserves thoughtful, transparent fiscal policy—not reactive tax increases that endanger our economic wellbeing and put undue strain on working families.

Thank you for your time and consideration.

Sincerely,
Melissa M Clauson

SB-1396-HD-2

Submitted on: 4/1/2025 12:03:56 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Michael Russell	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

My name is Michael Russell, and I'm a real estate investor and co-owner of a small, locally operated hostel business here in Hawai'i. I'm writing in opposition to the proposed legislation that would raise the Transient Accommodations Tax (TAT) on visitor accommodations statewide—including hotels, vacation rentals, and small businesses like ours.

While I respect the challenges facing our state, especially in terms of generating revenue and addressing housing needs, this proposal puts additional pressure on the very businesses that help keep our visitor economy running—especially smaller, independent operators who don't have the margins that large resorts do.

Our hostel provides an affordable, community-driven lodging option that attracts travelers from around the world. We operate legally, collect and remit TAT and GET, and contribute to our local economy by hiring staff, partnering with local businesses, and encouraging our guests to support neighborhood shops and restaurants.

Increasing the TAT may seem like a straightforward way to raise funds, but the long-term consequences could be harmful. As costs rise for travelers, demand will inevitably shift. Small accommodations like ours—already squeezed by higher operating costs, labor shortages, and post-pandemic recovery—are the most vulnerable. Unlike large resorts, we can't simply absorb new taxes or pass them along without losing price-sensitive guests who are choosing us specifically because of affordability and value.

It's also important to recognize that Hawai'i already has one of the highest combined lodging tax rates in the country. Adding to that burden only weakens our competitiveness and risks pushing more visitors toward illegal rentals or off-island destinations.

If the State is serious about long-term sustainability in both tourism and housing, I urge you to look toward solutions that reward legal operation and local ownership, rather than making it harder for small businesses to survive.

Thank you for your time and consideration.

Sincerely,

Michael Russell

SB-1396-HD-2

Submitted on: 4/1/2025 12:09:10 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Florian Goldhammer	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill!

Honorable Kyle Yamashita, Chair

April 1, 2025

Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

I WRITE IN OPPOSITION TO SB1396 SD3 HD2

Chair and Members of the Committee,

I am Dan McKenna and I rely on Hawaii's tourism industry to support many of the service workers and families who help maintain our condominiums and provide services to our guests. I oppose SB1396 SD3 HD2 because it enables an undefined tax increase, depends on unstable tourism revenue, and places the responsibility of funding to eliminate climate dependence on a single industry.

1. An Undefined Tax Increase Impacts Local Workers

This bill proposes an undefined rise in Transient Accommodations Taxes (TAT).

Workers, businesses and families like mine deserve to know what to expect. The bill is asking for a blank check. That's not fair to those of us who make a living in tourism.

2. The Economy of Maui Is Dependent On Tourism Which Needs Government Support

Hawaii's economy heavily relies on tourism, yet this bill's unpredictability poses additional uncertainty, as seen during the COVID-19 pandemic and other global events that attack the travel industry. Hawaii has one of the highest accommodation tax rates in the country, which is causing a decline in tourism. Any further impediments could further deter visitors, making Hawaii a less competitive destination. This further decrease in tourism would result additional job losses and decreased income for local workers.

3. Disaster Preparedness Is Everyone's Responsibility

Wildfires and hurricanes affect all citizens of Hawaii. The cost of disaster mitigation and response should not be funded exclusively by the tourism industry. A

more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time, talent and consideration.

Sincerely,

Dan McKenna

SB-1396-HD-2

Submitted on: 4/1/2025 12:13:21 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
David W Medina	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair
and Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is David Medina, and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and

businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

David Medina

SB-1396-HD-2

Submitted on: 4/1/2025 12:15:24 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jill Fletcher	Individual	Oppose	Written Testimony Only

Comments:

OPPOSITION TO SB1396 SD3 HD2

Aloha Committee Members,

Thank you for your time and your service. I'm writing to oppose SB1396 SD3 HD2 because this tax increase is not transparent and it relies on tourism revenue that is unpredictable, plus it puts too much of the burden of funding climate resilience on a single industry.

1. Undetermined Tax Increase Hurts Us

This bill would raise the TA tax by an undetermined amount. My business and employees need to know what to expect. No blank checks riding on the back of those of us in the tourism industry!

2. Too Much Burden and Stress Already on Our Tourism-Dependent

Economy Tourism makes Hawaii's economy run. But so many bills to increase taxes is going to cause tourism to implode. We are already seeing potential guests not return to Maui but instead head to other destinations without these exorbitant taxes (e.g. Mexico). Taxing like this is going to be the death knell for Hawaii tourism. Please don't do this! We are already seeing fewer tourists, job losses and lower income for local workers.

Therefore, **I respectfully implore you to reject SB1396 SD3 HD2.**

Thank you again,
Jill Fletcher

SB-1396-HD-2

Submitted on: 4/1/2025 12:16:00 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Stacy Wallner	Individual	Oppose	Written Testimony Only

Comments:

I, Stacy Wallner, OPPOSE HB 504 HD2

HB504 HD2 because it introduces higher taxes on tourism, including an UNDEFINED increase in the Transient Accommodations Tax (TAT) and a \$20/night fee on loyalty stays. These tax hikes will harm Hawaii's economy and local businesses that rely on tourism income. Also, higher costs for tourists because of Increased taxes will make Hawaii less competitive and reduce tourism. I believe the economic impact on local businesses and workers who depend on tourism income will be hit hard in this time of economic uncertainty.

The Honorable Kyle Yamashita, Chair
and Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

April 1, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Ramalee Wulf, and I rely on Hawaii's tourism industry to partially support my family's income. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those who make a living in tourism nor is it fair to others depending upon the tourism industry.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, Hawaii is already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more

balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, **I urge you to reject SB1396 SD3 HD2.**

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt the economy and local families based in Maui.

Thank you for your time and consideration.

Sincerely,

Ramalee Wulf

The Honorable Kyle Yamashita, Chair
and Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

April 1, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is **Allen Stephenson** and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

Why would we want to further damage the only viable industry in Hawaii?

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, **I urge you to reject SB1396 SD3 HD2.**

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Allen Stephenson

SB-1396-HD-2

Submitted on: 4/1/2025 12:25:12 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Sean ODonnell	Individual	Oppose	Written Testimony Only

Comments:

Thank you for taking the time to read this and care about the impacts this can bring. Our county has had severe impacts to everyday workers and families with this recent economic downturn. We cannot afford to keep pushing away the people that bring all of the money that fuels our economy. These decisions send messages to people to stay away when we need to be telling them to come with open wallets to spend directly with our locals instead of all going to government to be wasted. More visitors here being openly welcomed would bring more than enough TAT and GET tax to cover environment needs and more. Using the existing taxes wisely is much better than yet again telling visitors that they are not welcome when the majority of people do want visitors.

Please do not create even more hardship for the normal worker here, we can't take more problems caused by the government , instead of the easy solutions they should be working towards.

You do not need to hurt us more to do good. There already is plenty of tax revenue and more of visitors are told to come back.

Thank you for your time.

SB-1396-HD-2

Submitted on: 4/1/2025 12:32:29 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Sabrina Winder	Individual	Oppose	Written Testimony Only

Comments:

Dear representative,

I am writing because I am concerned about SB1396 SD3 HD2.

While the idea of raising money to help support issues with climate change is prudent, adding another tax to tourists is a really poor way to reach that goal. What makes this bill especially concerning is that **there is no clear amount or limit to what the new tax may be**. It is really dangerous to pass a law for a tax increase with no clear limit to how much people will be charged.

Hawaii already has an extremely high tax on tourists, which has been driving many people to explore other places to vacation that are more welcoming to tourists. Now with the scene on the federal level that is discouraging international tourists from coming here, we are already seeing a marked decrease in tourism this year. Because the Hawaii economy is so heavily dependent on tourism, it would be very wreckless to gamble on making it even more expensive for people to travel here, and hope that they don't notice. The tourism industry cannot afford to lose more customers by pricing them out of visiting. Please vote against this bill.

Mahalo for your attention to this issue.

Sabrina Winder

SB-1396-HD-2

Submitted on: 4/1/2025 12:34:20 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Barbara Hollingsworth	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair

and Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is **Barbara Hollingsworth**, and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry. This bill will discourage visitors to the island of Maui.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. **Tourism-Dependent Economy Cannot Take More Stress**

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers. Some of the wonderful workers at Maui Eldorado, where I own a studio have been with us up to 30 years.

3. **Disaster Preparedness Should Be Everyone's Responsibility**

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, **I urge you to reject SB1396 SD3 HD2.**

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families. Please reconsider and pull this bill.

Thank you for your time and consideration.

Sincerely,
Barbara Hollingsworth

SB-1396-HD-2

Submitted on: 4/1/2025 12:39:03 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jahya Costa	Individual	Oppose	Written Testimony Only

Comments:

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Jahya Costa. I'm a Native Hawaiian, born and raised here, and I continue to live and work in Hawai'i. Like many local families, mine depends on the tourism industry to make a living. I'm writing to oppose SB1396 SD3 HD2 because it feels unfair, unclear, and puts too much pressure on an industry that's already doing a lot to keep our state afloat.

The bill talks about raising the Transient Accommodations Tax (TAT), but it doesn't say by how much. That's unsettling. Local businesses and workers like me need to plan and budget, especially in a place where the cost of living is already so high. Leaving the door open for an unknown tax increase just creates more stress for those of us already trying to make ends meet.

We've seen how fragile tourism can be... COVID, natural disasters, airline issues. It only takes one event to slow everything down. And with Hawai'i already having some of the highest hotel taxes in the country, we're starting to lose out to other destinations. That means fewer visitors, fewer hours at work, and less money to feed our families or pay rent. Any additional tax could push people away from coming here, and we're the ones who'll feel that loss the hardest.

We all know how real the threat of hurricanes, fires, and lava flows are in Hawai'i. Preparing for those emergencies is something we should all contribute to. Putting that entire responsibility on the tourism industry, and by extension, the people who work in it, just doesn't seem right. It should be a shared effort, not a burden placed on one group.

Please don't pass SB1396 SD3 HD2. We need smart, fair solutions that support the community, not ones that add more pressure to the people working hard every day to keep Hawai'i running.

Thank you for listening and for your time.

Mahalo,

Jahya Costa

SB-1396-HD-2

Submitted on: 4/1/2025 12:59:01 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kencho Gurung	Individual	Support	Written Testimony Only

Comments:

I support this bill!

SB-1396-HD-2

Submitted on: 4/1/2025 12:59:59 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Josh Stanbro	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Yamashita and members of the Committee,

I am in strong support of SB1396 SD3 HD2 and urge the Finance Committee to approve this measure.

As Honolulu's former Chief Resilience Officer, I know that climate change impacts are already escalating costs in Hawai'i, putting pressure on insurance rates, disaster recovery, and other infrastructure expenditures. Raising revenue now to help mitigate these impacts will help protect a livable Hawai'i, but also protect our fiscal position in the very near future. For every dollar spent now on climate resilience, approximately \$6 are saved in terms of future expenditure.

Please protect lives, property, and our financial bottom line by approving SB1396 SD3 HD2.

Mahalo,

Josh Stanbro

The Honorable Kyle Yamashita, Chair
and Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

April 1, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is David Morts, and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax creates uncertainty

If we have learned anything from the way that President Trump has hurt our country's economy, look at how the uncertainty of when and how much we are going to be taxed has done to business is reflected in the stock market. **If your business has no real numbers to work with you cannot plan your expenses and investments** into your business. How much to you pay your workers? What services can you afford? Should I make a purchase or wait?

2. Tourism is a discretionary luxury for visitors

Again, with President Trump miss treating our friends and allies, we are **already getting cancellations** from foreign travelers and business is slowing down. If inflation goes up further and people are afraid to spend money, who is going to spend their hard-earned money on a vacation when they are worried about the necessities?

3. Disaster Preparedness Should Be Everyone's Responsibility

I agree that we will need to set aside money for natural and other disasters and take steps to avoid them. **If FEMA gets eliminated** and we are left to fend for ourselves after another devastating disaster we cannot just make a "go fund me" page for our state and call it good. We will need to have people that are trained in logistics and emergency management.

I believe that we should address at the state level, but the burden needs to be shared by all. **I would suggest using the GET to ensure that everyone including our visitors chip in.**

For these reasons, **I urge you to reject SB1396 SD3 HD2.**

Hawaii needs to be thoughtful in how we prepare for disasters and try to mitigate climate change. However, **we should not be picking winners and losers on how this is paid for. Linking it to TAT does not make any sense.**

Thank you for your time and consideration.
Sincerely,
David Morts

SB-1396-HD-2

Submitted on: 4/1/2025 1:04:24 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Gary Gless	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair

and Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Gary Gless, and I rely on Hawaii's tourism industry to help support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. As you are now aware Tourism has been at a standstill due to the Tariffs imposed on our Canadians and they are encouraged not to come by the Prime Minister. These TATs well,

put the final nail in the coffin for them not to want to come here. We need to welcome them rather than punish them.

3. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

4. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Gary Gless

SB-1396-HD-2

Submitted on: 4/1/2025 1:07:34 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Thomas Staubitser	Individual	Oppose	Written Testimony Only

Comments:

I am writing a testimony in opposition of SB1396 SD3 HD2

In August of 2020 my wife and I purchased our Maui home in Lahaina, in the community of Puamana. We chose the home for many reasons. Knowing that it had a good rental history that would help us afford the maintenance and taxes and we would be able to spend a total of 4 months on Maui with our son, his wife and our 2 grand daughters. To make this purchase we sold the home in New York where we raised our 4 children and down sized to a smaller, one bedroom home.

When our son Bryan married his wife Miken they started a family and stayed on Maui where Miken was born and raised. Now they are a family of 4 living in Haiku. Bryan is a Maui Firefighter stationed in Lahaina and Miken is a Paramedic, also stationed in Lahaina. Having a place of our own in Lahaina allowed us to spend time with our granddaughters. Quite often we would watch them while Bryan and Miken worked their shifts in the fire station and EMS station.

As mentioned, I am submitting this testimony in opposition of SB1396 SD3 HD2. The financial affect it would have on my wife and I, could possibly force us to selling our property. Not seeing our family as often as we planned in our retirement years would be a tragedy on top of the tragedy of the fires.

I also believe it would have a negative impact on the tourism industry that Hawaii relies on. With no specific tax rate it seems unfair to pass such a bill. This bill would place an unfair burden on tourism, it is obvious that tourism has suffered enough and needs the governments help to get back on track. This unclear tax increase would hurt local businesses and local working families.

Thank you for your time and consideration to this matter.

Sincerely,

Thomas Staubitser

SB-1396-HD-2

Submitted on: 4/1/2025 1:09:04 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Paul Lecomte	Individual	Support	Written Testimony Only

Comments:

I visited New Zealand in 2019, and as part of the visa process, I paid a small tax that supported the Department of Conservation and other non-profits to help mitigate the environmental impacts of tourism. This fee did not deter me from visiting—in fact, I gladly paid it, knowing that my contribution would help protect and restore the very resources and landscapes I would enjoy during my stay. It made my experience more meaningful, knowing that I was helping to preserve the natural beauty that drew me there in the first place.

I understand the economic incentives behind accepting cruise ships in our state. However, this bill highlights an important issue: the often invisible, long-lasting environmental impact that cruise ships and tourism in general can have on our ecosystems. It is only fair to ask for a minor contribution from those who directly benefit from our environment to help offset the hidden costs of tourism. This bill is a practical and equitable approach to ensuring that visitors contribute to preserving Hawaii's unique natural and cultural resources.

SB-1396-HD-2

Submitted on: 4/1/2025 1:09:25 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Smith Family Trust	Individual	Oppose	Written Testimony Only

Comments: The Honorable Kyle Yamashita, Chair and Members of the Committee on Finance Hawaii State House of Representatives 415 S. Beretania Street, Rm. #308 Honolulu, HI 96813 April 2, 2025 OPPOSITION TO SB1396 SD3 HD2 Dear Chair and Members of the Committee, My name is [Your Name], and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry. Unclear Tax Increase Hurts Local Workers This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism. Tourism-Dependent Economy Cannot Take More Stress Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers. Disaster Preparedness Should Be Everyone's Responsibility Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses. For these reasons, I urge you to reject SB1396 SD3 HD2. Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families. Thank you for your time and consideration. Sincerely, Smith Family Trust

SB-1396-HD-2

Submitted on: 4/1/2025 1:10:50 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Richard Biederman	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair

and Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Rich Biederman, and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Rich Biederman

Testimony in Support of SB1396 HD2
House Committee on Finance
Position: Support

Aloha Chairs, Vice Chairs, and Members of the Committee,

My name is Michelle M. Hester and I am submitting written testimony in strong support of SB1396, which would help dedicate funding toward Hawai'i's natural and cultural resources that sustain the safety of our people, place, and economy. I am a resident of windward Oahu and work for environmental conservation in O'ahu, Maui and the Northwestern Hawaiian Islands. Obviously Hawai'i's natural wonders and beauty bring tourists and money to the State. Protecting this beauty in the face of past, present, and future degradation of our land, water and oceans takes many dedicated people, smart strategies, and money.

It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai'i. Enacting legislation like SB1396 could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,

Michelle Hester
Kailua, HI

A handwritten signature in black ink, appearing to read "Michelle Hester", with a stylized flourish at the end.

SB-1396-HD-2

Submitted on: 4/1/2025 1:25:54 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
John Holl	Individual	Oppose	Remotely Via Zoom

Comments:

I am reading all over social media and from visitors who have been coming to Hawaii for 25, even 30 years, that Hawaii has just become overpriced.

With inflation continuing to rise and expected to get worse, with Trump tariffs about to take affect, with the cutting of federal funds coming to Hawaii, with the current US travel boycott, and with all the mass layoffs that are happening, this is not the time to pile on yet another burden to Hawaii businesses, especially the one that leads our entire economy and feeds every other business in the islands.

It's especially insidious that the amount of the tax increase is not being mentioned. Why is that? Is that so you can get it passed now as an open-ended increase so you can increase it as much as you want in 2027?

Economists are telling us we're in a recession now and that the tariffs combined with the loss of the dollar's position as the world reserve currency might well push us into a depression. Hawaii is going to be in very bad shape if you have no limits on how much you will continue to increase taxes.

Combine that with an international boycott of travel to the US, and Hawaii is headed for some real misery.

Don't make it worse by passing yet another punitive Tax increase on our core industry. This will affect all local businesses, even those not directly connected to tourism.

SB-1396-HD-2

Submitted on: 4/1/2025 1:42:10 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
andrew F fortier	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and
Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813
April 2, 2025 OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Andrew Fortier and I rely on Hawaii's tourism industry to help support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry. It saddens me you think this is best for Maui..

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism. You have to see the effect it's had on this beautiful community.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility
Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses. For these reasons, I urge you to reject SB1396 SD3 HD2. Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Andrew Fortier

SB-1396-HD-2

Submitted on: 4/1/2025 1:43:31 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Howard J Wilson	Individual	Oppose	Written Testimony Only

Comments:

My name is Howard Wilson and my family relays on Hawaii's tourism. By increasing the TAT tax you would be pricing tourists away from Maui. It is already so high that I see people vacationing in Mexico instead of Maui. So please reject SB1396 SD3 HD2.

Thank you,

Sincerely,

Howard Wilson

SB-1396-HD-2

Submitted on: 4/1/2025 1:44:09 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kim Wickens	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair**and Members of the Committee on Finance****Hawaii State House of Representatives****415 S. Beretania Street, Rm. #308****Honolulu, HI 96813****April 2, 2025****OPPOSITION TO SB1396 SD3 HD2****Dear Chair and Members of the Committee,**

My name is Kim Wickens, and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as

seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. **Disaster Preparedness Should Be Everyone's Responsibility**

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Kim Wickens

SB-1396-HD-2

Submitted on: 4/1/2025 1:50:41 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Naomi Baquera	Individual	Support	Written Testimony Only

Comments:

Aloha, my name is Naomi Baquera and I am a 23 year old massage therapist living in Honolulu where I was born. I am submitting testimony in strong support of SB1396 which would help to allocate funding towards Hawai'i's natural and cultural resources to preserve the culture and the land.

This is important to me because I believe we need all of the funding we can get in order to mitigate and reverse the environmental impacts that we as humans have caused to this land and world. More often do I see news covering the ways we as humans are destroying the Earth rather than what we are doing to help it.

Too often are environmental policies ignored or delayed, pushed aside for people do not realize its weight. It is easy for people to be dismissive of environmental policies if they are removed from the impacts it creates. In truth, the care we take for our environment or lack thereof impacts us all. Let us not wait until the toll is on our doorsteps to take action, for by then it will be too late.

The burden is especially heavy on us younger generations who feel we have a duty to be involved in order to create security for our futures. Countless young folks grapple with a daily fear that the world we inherit will be one of mass catastrophe caused by environmental degradation. I speak from personal experience and from hearing the stories of my peers. I urge you to please consider the youth, your families, and neighbors when you decide whether or not passing this legislation is worthwhile. We ask for action and that you choose to be part of the change that can give us hope for the protection and preservation of Hawai'i and all future generations who will walk these lands.

SB-1396-HD-2

Submitted on: 4/1/2025 2:04:58 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Arthur J Sullivan	Individual	Oppose	Written Testimony Only

Comments:

I oppose SB 1396 SD3 HD2. It lacks transparency, in that it doesn't provide a specific proposed tax rate, which would allow the final rate to be determined at the end of the public testimony closes. Secondly, it relies on an unstable revenue source by tying disaster preparedness funding to tourism. Third, it places an unfair burden on a segment of the community, when disasters affect everyone. Finally, by adding another additional increase to the cost tourists must absorb to vacation here, it will end up hurting even more the businesses that rely on tourism for their survival.

I appreciate your consideration.

Arthur Sullivan

SB-1396-HD-2

Submitted on: 4/1/2025 2:10:13 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Aimee Santos	Individual	Support	Written Testimony Only

Comments:

I support this bill.

SB-1396-HD-2

Submitted on: 4/1/2025 2:20:56 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ilana Nimz	Individual	Support	Written Testimony Only

Comments:

I support the funding of critical environmental stewardship programs in Hawaii through an increase in TAT.

SB-1396-HD-2

Submitted on: 4/1/2025 2:23:23 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Denise Freund	Ala Wai House LLC	Oppose	Written Testimony Only

Comments:

My name is Denise Freund, General Manager of Ala Wai House LLC, property in Waikiki with legal mid-term rental and long-term rental units.

I oppose SB1396, SD3, HD2, because it proposes another tax increase based on tourist income. Not all of our mid-term rentals are tourists. Some are health-care industry workers, people transitioning to Oahu, and visiting family, Between TAT and OTAT, the property pays a high amount of taxes.

Disaster preparedness is everyone's responsibility. All taxpayers should share the cost.

Please reject SB1396 SD3 HD2.

Respectfully Submitted,

Denise Freund

SB-1396-HD-2

Submitted on: 4/1/2025 2:26:41 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Julia Dunn	Individual	Support	Written Testimony Only

Comments:

My name is Julia Dunn, and I am submitting written testimony in strong support of SB1396, which would allocate essential funding to protect Hawai‘i’s natural and cultural resources—the foundation of our people’s well-being, our sense of place, and our economy.

As a Kaua‘i resident working in nonprofit environmental conservation across O‘ahu, Maui, and the Northwestern Hawaiian Islands, I see firsthand the critical need for dedicated resources to safeguard our land, water, and oceans. Hawai‘i’s natural beauty is not only a global treasure but also a key driver of our economy. However, preserving it in the face of ongoing environmental threats requires long-term commitment, strategic planning, and sustainable funding.

Experts estimate that Hawai‘i needs at least \$560 million annually to effectively steward its natural and cultural resources. Enacting SB1396 would help fund proactive conservation efforts—saving the state millions of dollars each year, creating jobs, and securing the future of our economy.

This measure is a crucial step toward a future where Hawai‘i remains protected, resilient, and thriving for our communities, economy, and generations to come. I urge lawmakers to take bold action to safeguard our home and heed the overwhelming support from residents and visitors calling for meaningful change.

Thank you,
Julia

SB-1396-HD-2

Submitted on: 4/1/2025 2:27:15 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Thomas Croly	Individual	Oppose	Written Testimony Only

Comments:

Bill SB1396 Testimony

Thank you for the opportunity to express my vehement
OPPOSITION
to this shameful bill.

It is shameful to present this bill as relating to environmental stewardship. There is nothing in the proposed bill that relates to environmental protection or stewardship. The bill is nothing but another attempted money grab from the State's most important industry. There is no action plan that has been identified to address the environmental concerns raised in this bill.

It is shameful that the State has done so little to protect the environment with all the many Billions of dollars that it has collected from the tourism industry over the past 10 years. I agree that we must prepare for climate change and make investments to prepare for it. I agree that we should protect watersheds, reefs, and public places from pollutants and environmental destruction. But to present this bill under the guise that the State lacks the resources to do so and therefore must raise a tax exclusively on visitors. A tax that it has continually been raised to contribute to various different concerns, then has failed in addressing those concerns and never reduces the tax, is again just shameful.

It is shameful that, with Hawaii already levying the highest accommodation taxes in the nation, any consideration is given to raising it further. My business is down by 30% since the Lahaina fires and advance reservations are off by 60% for the next 6 months. Visitor counts have not yet recovered from Covid and since then, the State has commandeered the Counties's share of the TAT and leaving the Counties to raise the TAT by another 3% just 3 years ago.

It is an abdication of duty and shameful that any State representative would consider doing further harm to the tourism industry by assuming that visitors will continue to come with accommodation taxes approaching 20%. I predict that the decrease in visitor counts and spending, as a result of this additional taxation, will exceed any additional revenues generated by any increase in the TAT. So the net will be fewer jobs and less revenue for the State.

Yes, there are those in Hawaii who have become jaded by the jobs, revenues, and taxes that come from the tourism industry. And certainly many of them would like to tax the visitors away. But this is just bad legislation and should be stopped immediately. It is over taxation like this that

has resulted in the clown that is currently occupying the White House. But he was elected because the tax and spend philosophy that is contained in this bill.

It is notable that Trump gained 7.5% more voters in Hawaii's 2024 Presidential election compared to 2016. Sure, Hawaii is still firmly Democratic, but the seeds of dissent are spreading quickly and this bill will further fertilize that discontent. And this bill is exactly the kind of legislation that has fed that discontent.

Vote NO on this bill and do not consider raising the TAT ever again.

SB-1396-HD-2

Submitted on: 4/1/2025 2:27:56 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Melanie L Schultz	Individual	Oppose	Written Testimony Only

Comments:

This bill poses a serious threat to Hawaii's tourism industry and small businesses. Tax increases will only discourage visitors, which our island desperately needs for all businesses to thrive. Many families on the island depend on the income from tourism. We all want to see Maui thrive, but without the right support, it's becoming increasingly difficult—especially with the rising costs.

SB-1396-HD-2

Submitted on: 4/1/2025 2:31:09 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Emmylou Anne Kidder	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs, Vice Chairs, and Members of the Committee,

My name is Emmylou A. Kidder and I am submitting written testimony in strong support of SB1396, which would increase the TAT in percentage, increase TAT administration to cruise ship cabins, and dedicate that increase to environmental stewardship, climate mitigation, as well as the protection, management, and restoration of natural resources. I am a resident of windward Oahu and work for environmental conservation organizations on O‘ahu and Kaua‘i. I am also a graduate student at Hawaii Pacific University pursuing a Master of Marine Science degree. Obviously Hawai‘i’s natural wonders and beauty bring tourists and money to the State. Protecting this beauty in the face of past, present, and future degradation of our land, water and oceans takes many dedicated people, smart strategies, and money. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai‘i. Enacting legislation like SB1396 could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods. This measure is a critical step toward a future where Hawai‘i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,
Emmylou A. Kidder
Kailua, HI

The Honorable Kyle Yamashita, Chair
and Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

April 1, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is **Ana Gloria Freire**, and I work in Hawaii's tourism industry. I'm writing to oppose SB1396 SD3 HD2 because it is just another attack on the industry, which is already fragile and facing global challenges. We are already one of the most expensive destinations in the World. Hawaii legislators should focus on developing new industries (dear meat perhaps?) but instead, our governance continues to burden the only industry that drives solid revenue to the State, shooting its own feet.

1. Transient Tax Increases Hurts Small Business Owners

This bill proposes raising the Transient Accommodations Tax (TAT), which is already outrageous set at a rate of 13.25%. Businesses, workers, and families like mine cannot pass on the cost to tourists because they will stop coming. Lawmakers here are ONLY benefiting high-end hotels, which target millionaire visitors. That's not fair to those of us who make a living in tourism and in my case, have a huge mortgage to pay because I was trying to get ahead in my State.

2. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

3. Mayor Victorino Campaign Promised to Invest in the Dear Meat Market

Why can't you focus on developing new markets and use funds from such new ventures to fund disaster preparedness? Or maybe propose a bill that would add additional TAT to rooms that are priced at \$1K/night or more.

For these reasons, **I urge you to reject SB1396 SD3 HD2.**

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Ana Gloria Freire

SB-1396-HD-2

Submitted on: 4/1/2025 2:36:27 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
arthur castonguay	Individual	Oppose	Written Testimony Only

Comments:

Hello,

At a time when international tourists are choosing to avoid the USA and the country is headed for a recession, it is not a time to raise taxes.

I am strongly against this bill. Raising taxes will result in lower tourism and a reduction in jobs.

Not specifying what the new tax rate will be is not transparent and suspicious.

Disaster preparedness impacts all residents and should be paid for by all residents, not just the tourism industry.

Further, tying it to the tourism industry is unstable and the tourism market fluctuates

Please vote against this bill

SB-1396-HD-2

Submitted on: 4/1/2025 2:45:27 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Faith Cummins	Individual	Oppose	Written Testimony Only

Comments:

Dear Chair and Members of the Committee,

My name is Faith Cummins and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, **I urge you to reject SB1396 SD3 HD2.**

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Faith Cummins

SB-1396-HD-2

Submitted on: 4/1/2025 2:56:40 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Joy Dillon	Individual	Oppose	Written Testimony Only

Comments:

Aloha, Chairs, Vice Chairs and members of the FIN, WAL, EEP and TOU Committees.

I strongly urge you to oppose this bill and vote NO. SB1396 does not specify a certain amount of TAT increase. This in itself is problematic. Hawaii already has some of the highest tourism taxes and we should not be jeopardizing this vital source of income. Tourism should not bear the responsibility for natural disasters. There are so many negative aspects of the bill and no positives. Please vote NO on this bill.

Thank you for your consideration,

Joy Dillon, Hilo Resident

SB-1396-HD-2

Submitted on: 4/1/2025 3:01:44 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Cheryl Rzonca	Individual	Oppose	Written Testimony Only

Comments:

I oppose transient taxes. This affects residents traveling interisland on all modes of travel. It's a burden as we use staycations for our vacations to save money but will no longer be the case as we are being priced out of paradise in every way.

SB-1396-HD-2

Submitted on: 4/1/2025 3:11:43 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Terri Yoshinaga	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

SB-1396-HD-2

Submitted on: 4/1/2025 3:12:49 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Tawn Keeney	Individual	Support	Written Testimony Only

Comments:

Testimony in support of SB1396 SD3 HD2

Tawn Keeney MD

The following is a summary of the few studies available of Greenhouse Gas equivalent Emissions resultant from Air Transport of Visitors to Hawaii. I have presented papers on this topic to the Honolulu Climate Change Commission on several occasions and have been designated as 'stakeholder' in discussions formulating their upcoming Guidance Document entitled Hawaii Tourism and Climate Change. The conclusion of this summary is that Aviation GHG equivalent emissions from Hawaii's visitors in the year 2019 amounts to somewhere between equal to all of Hawaii's domestic net GHG emissions and **2x** that of all Hawaii's Domestic, net, GHG emissions.

The following is a synopsis of various studies and papers which have been produced on the subject of Greenhouse Gas Emissions resultant from Air Transport of Visitors to Hawaii in 2019. I produced a paper with that title which was presented to the Honolulu Climate Change Commission in 2021.

My very limited bibliography on this subject begins with Stewart Yerton from Civil Beat. His publication in 2020 on this subject arrived at a figure of 6 million tons CO2 emissions from visitor air transport. He framed this level as giving rise to concern. In response to this article UH researcher Andrei Shkvorov produced an article which had little distribution but was noticed by myself and triggered my writing the paper which I subsequently presented to the Honolulu Climate Change Commission. Mr. Shkvorov's paper pointed out that Yerton's analysis only reflected CO2 emissions but that even greater global warming factors derived from other emissions, notably water vapor, particulates and Nitrogen Oxides. Using the aviation emissions calculator from the Carbon Offset website, Terrapass, Mr. Shkvorov calculated 24 million tons CO2(equivalents) emissions, approximately twice all of Hawaii's reported domestic emissions at 13.4 million tons.

My paper was essentially a reiteration of the Shkvorov article. However, rather than use the method of one of the calculators of the global warming emissions from aviation available on the internet, I avoided the contention of bias by using an averaging of the 8 aviation emissions calculators I was able to find on the internet. My paper was printed in an e-journal of reprints of important climate change articles emphasizing the Hawaiian Islands which was edited by Mr.

Shkvorov, Climate Emergency Digest. My paper, using the above averaging method and using the flight and itinerary data from Hawaii Tourism Authority's numbers of visitors from eight global 'Regions of Origin' of visitors to Hawaii in 2019, arrived at a figure of 18 million tons CO₂(e). This was approximately 1-1/2x all of Hawaii's domestic emissions for that year.

Charles 'Chip' Fletcher, PhD., chair of the HCCC used the phrase 'very important data' in commenting on my paper. However the Honolulu Commission responded that their body was not the appropriate residence for this study in that this was a State rather than a County of Honolulu issue. It was recommended that this paper be presented to the State Climate Commission. This was done, however little apparent note was taken by that body.

In 2022 the Honolulu Climate Change commission was addressed once more with the request to study the issue of global warming emissions from air transport of visitors. Again, their response assigned the issue to the State level, but Commissioner Coffman (One of the several 'reviewers' of the Hawaii County Draft Integrated Climate Action Plan) graciously performed a 'back of envelope' calculation of those emissions using data from the State GHG Emissions Inventory, of which she was one of several authors.

Her finding, using the 'official data' from the State Greenhouse Gas Inventory and performing a sophisticated analysis, was that emissions from air transport of visitors was essentially equal to the Inventory's calculation of GHG emissions from all domestic sources for the year 2019, 13.5million tons CO₂(equivalent). Dr. Coffman accepted as reasonable, or at least acceptable, the strategy of using the average of the several aviation emissions Calculators found on the Internet thereby using the same Coefficient for calculation which I had used.

The difference in the outcomes between the Calculations of Dr. Coffman and myself lay in the origin of the data being analyzed. Dr. Coffman used the data of the State GHG Inventory. I used the data supplied by the Hawaii Tourism Authority on the numbers of visitors from each of eight global regions of origin of the visitors. I assigned an arbitrary 'airport of origin' in each of those regions. The travel to which the calculator tool was applied was the shortest possible round trip itinerary route between the arbitrarily assigned airport in that 'Region of Origin' and the Hawaii destination.

The difference between the finding of Dr. Coffman and my own calculation of visitor air travel emissions, 4.5 million tons CO₂(e) might be partially explained in that my calculations included Connecting Flights from the global originating airport whereas Dr. Coffman's calculation, using the 'official' Hawaii State GHG Inventory, would have used only the 'leg' of the visitor's itinerary which departed or arrived in Hawaii. Connecting flights beyond the Hawaii departure or arrival leg would not be included. However, my method of using the complete itinerary for this calculation is also open to the criticism exemplified by travel from Philadelphia to Los Angeles to see a family member, but then going on to Hawaii for a week of surf and sunshine. The assignment of Philadelphia to the origin of this visit is complicated. Or, travel across the Pacific with a 2 day stopover in Hawaii. Thus, neither method of calculation is able to present the whole picture. However, I would comment that the 4.5 million tons CO₂(e) discrepancy between the calculation of Dr. Coffman at 13.5M CO₂(e) tons and my own calculation of 18M tons might be mostly accounted for by this difference in method.

Coincidental with Dr. Coffman's presentation to the HCCC, the IPCC released it's Sixth Assessment Report subtitled Code Red for Humanity. In the Chapter on 'Short Term Climate Forcers' in the Section on Aviation, the IPCC endorses the method and findings of Lee, et al, for calculation of global warming emissions from aviation. In 2020 the most definitive study to date of global warming from aviation was published by this group in the Journal of Atmospheric Environment, representing the 'state of the science'. Using the method prescribed in this paper and 'endorsed' by the IPCC, the calculation of global warming emissions from visitors air travel to Hawaii can be reassessed.

Using that method which seems to be endorsed by the IPCC as best science, rather than averaging the aviation emissions calculators found on the internet, my calculation would be changed from 18 million tons CO₂(e) to 24 million tons CO₂(e), approximately twice the total of Hawaii's Domestic Greenhouse Gas emissions (duplicating Mr. Shkvorov's finding). Dr. Coffman's finding would be increased to 18 million tons, or 1-1/2x all of Hawaii's domestic emissions.

In conclusion, I contend that it can be confidently proposed that global warming emissions from air transport of visitors to Hawaii in 2019 lays somewhere between one to two times the total of all of Hawaii's domestic greenhouse gas emissions, if not even more (recognizing an altitude factor which is described in above response to Dr. Coffman's analysis). This is most realistically above 1-1/2x all Hawaii's domestic emissions and likely above 2x that total.

All of the State of Hawaii ground transportation emissions totals 4 million tons and all electricity generation totals 8 million tons CO₂(e). If our mitigation efforts include changing all vehicular travel to electric and all electricity generation to renewable sources, then surely we must acknowledge and do what is necessary to reduce as much as possible the emissions from Hawaii's tourism. Otherwise our conversion to renewable sources of energy is virtually meaningless. To begin with, the State and the County of Hawaii have to stop advertising and encouraging Hawaii as destination. Mahalo for your consideration.

Tawn Keeney MD

SB-1396-HD-2

Submitted on: 4/1/2025 3:25:22 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jon Whittington	Individual	Oppose	Written Testimony Only

Comments:

Dear Legislative,

I strongly support climate change resiliency and natural disaster mitigation, yet respectfully request that you opposed this this bill for the following reason:

Lacks Transparency—It does not specify a tax rate increase, meaning the final number could be set after public testimony ends.

Relies on an Unstable Funding Source – Tying disaster preparedness to tourism revenue is risky and shortsighted, given the industry's vulnerability to global crises.

Creates an Unfair Burden – Natural disasters impact all residents and businesses, yet this bill forces tourism to bear the financial responsibility alone.

Hurts Small Businesses & Hawaii's Economy – Hawaii already has one of the country's highest transient accommodations taxes (TAT). Raising it further will make our state less competitive, impacting local operators and businesses.

Thank you for your attention to this important matter.

Aloha,

Jon Whittington

SB-1396-HD-2

Submitted on: 4/1/2025 3:32:40 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Case VanDam	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Case VanDam and I am a resident of Salt Lake in the Ahupua'a of Moanalua. I am writing to support passage of SB1396, SD3, HD2, which is important in addressing the effects of climate change on our islands, improving resilience of the environment and communities, and recognizes the role that responsible management of tourism plays in the protection of Hawai'i.

The preservation of Hawai'i and the ability to prevent, mitigate, and respond to wildfire and other disasters depends on the ability to rapidly and effectively deploy resources in those efforts. While disaster events capture headlines and hearts, the most effective work to protect our communities and our 'aina occurs before those disasters hit, when media and the public both nationally and internationally have their attention turned elsewhere but our state and local agencies, our VOAD partners, and members of the community can pour time and energy into preparing us for the increasing effects of climate change.

The fight for the future of Hawai'i against climate change's damaging effects is not down a distant road—it is here today. The people of the state are here now, ready to do the work, but the fight requires reliable sources of funding that are not at risk due to shifting political winds in Washington DC or the attention span of people in other states and countries. We have an obligation to lead in our own state. Increasing the Transient Accommodation Tax (TAT) and focusing the resulting funds toward efforts to preserve the state for future generations through climate resilience projects will provide critical resources to ensure that the state thrives in the face of climate change and increased demands for tourism in the future.

I have the privilege of serving as the Logistics Lead in Hawai'i for Team Rubicon, a veteran-led humanitarian organization and VOAD partner. While my testimony today is personal and not on behalf of my organization, it is informed by my perspective in that role. Our planet has already crossed some significant milestones that make fighting to preserve the world harder than ever before, but there are plenty of things we can do to make a positive impact in the fight against climate change's disastrous effects, and we can do these things at an attainable cost if we don't wait for disasters to occur before we respond—cost not only in dollars but to life, property, and the environment.

Mahalo nui loa for the opportunity to share my testimony with the committee.

Case VanDam

Salt Lake

SB-1396-HD-2

Submitted on: 4/1/2025 3:37:00 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Frank Schultz	Individual	Support	Written Testimony Only

Comments:

I support this initiative.

SB-1396-HD-2

Submitted on: 4/1/2025 4:07:04 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Dr. Kioni Dudley	Individual	Support	Written Testimony Only

Comments:

I very strongly support this bill.

SB-1396-HD-2

Submitted on: 4/1/2025 5:33:54 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Richard Fernandez	Individual	Oppose	Written Testimony Only

Comments:

This is a horrible bill because all you guys know how to do is just raise taxes. anyone can do that but most of us have a conscious. So why not actually cut in other areas that have waste and fraud and stop infringing upon what brings in funds to our State. Start being akamai.

Mahalo,

Richard and Janina

SB-1396-HD-2

Submitted on: 4/1/2025 5:37:55 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
RALPH FURLEY	Individual	Oppose	Written Testimony Only

Comments:

Dear Senators,

Please dont vote for this bill **SB1396**. You know it easy to just raise taxes but everything that goes around comes around. It eventually affects us all. There is plenty of unwise spent funding that our tax payers spend on and we actually work for a living. Please vote against this bill becuae this is enough on blaming tourist who really help this island.

SB-1396-HD-2

Submitted on: 4/1/2025 5:42:28 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Cecila Gomez	Individual	Oppose	Written Testimony Only

Comments:

Aloha State Senators,

I oppose this SB1396 because

I oppose this SB1396 because I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

Sincerely,

Cecilia

SB-1396-HD-2

Submitted on: 4/1/2025 5:45:52 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Nancy M. McPherson	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

*My name is Nancy McPherson and I am a resident of Kailua, O'ahu. I am writing in **support of SB1396, SD3, HD2**, which takes a necessary step toward addressing the impacts of climate change while supporting responsible tourism management in Hawai'i.*

If we do not take urgent action to increase Hawai'i's resilience to disasters and adapt to a changing climate, we risk harm to our environment, our communities, and our economic stability. This bill provides a responsible solution by increasing the Transient Accommodation Tax (TAT) and directing those funds toward climate resilience projects and destination management. Visitors who enjoy our islands can contribute to protecting them, ensuring Hawai'i remains a safe and thriving place for future generations. Investing in climate adaptation now will save us from greater financial costs in the future.

It's become clear that we need to find ways to support climate action independent of federal funding - this is an important step forward in doing that. We can also work towards a regenerative tourism model and encourage our visitors to participate in co-stewardship of our precious and sensitive island resources.

Mahalo for the opportunity to share my testimony with the committee.

Nancy McPherson

Kailua

SB-1396-HD-2

Submitted on: 4/1/2025 6:00:09 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Marsha Roberts	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair

and Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Marsha Roberts and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen

during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Marsha Roberts, MD

SB-1396-HD-2

Submitted on: 4/1/2025 6:10:47 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
John Grandinetti	Individual	Support	Written Testimony Only

Comments:

Protecting the natural beauty of Hawaii unfortunately comes with a cost. This bill helps fund the necessary actions to assure maintenance of the aina.

SB-1396-HD-2

Submitted on: 4/1/2025 6:10:57 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jocelyn Whei-Tsi Grandinetti	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs, Vice Chairs, and Members of the Committee,

‘O Jocelyn Whei-Tsi Grandinetti ko‘u inoa, no Wai‘alaе Nui mai au. Aloha, my name is Jocelyn Whei-Tsi Grandinetti and I come from the ‘ili ‘āina of Wai‘alaе Nui on the island of O‘ahu. My mountain is Lanipō of the Ko‘olau range, and my waters are the waters that flow down Wai‘alaе Nui stream. I am submitting written testimony **in strong support of SB1396**, which would help dedicate funding toward Hawai‘i’s natural and cultural resources that sustain the safety of our people, place, and economy. Having dedicated my life to building kuleana to caring for ‘āina in our keiki as an environmental educator, it is absolutely vital for Hawai‘i to have a solid financial foundation with which to enact more sustainable and proactive solutions for the benefit of future generations. If we want our keiki to stay in Hawai‘i and contribute to the islands, they need us to ensure that they will have a livable island on which to thrive.

We are watching the consequences of underinvesting in our ‘āina impact the people and places we love. Coral bleaching, fires, floods, and brown water pollution are harming the environment that sustains our visitor industry and economic livelihoods. This consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks come. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai‘i. Enacting legislation like SB1396 could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

The protection, management, restoration, and stewardship of Hawai‘i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. We know that community organizations are working on the frontlines of resilience, adaptation, and stewardship, and this measure will empower experts across Hawai‘i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. **I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai‘i.** I have been involved with organizations such as Kauluakalana, Ho‘okua‘āina, Sustainable Coastlines Hawai‘i, Kupu, Kōkua Hawai‘i Foundation, and so much more that are doing vital work to educate our keiki, restore ‘āina, and build community in a time of immense financial struggle and political disarray. My Master’s Thesis focused on biocultural restoration, and I found that while these groups do amazing work, their capacity is constantly

being limited by financial restraints and consequential quick staff turnaround, both of which could be addressed with a more solid financial foundation for these community group efforts.

This is the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee. Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary.

We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,

Jocelyn Whei-Tsi Grandinetti

SB-1396-HD-2

Submitted on: 4/1/2025 6:35:35 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Sally Chew	Individual	Support	Written Testimony Only

Comments:

i support this bill!

SB-1396-HD-2

Submitted on: 4/1/2025 9:01:12 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Shannon Bell-Peterson	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

Maui is a magical place. It is important to honor history, maintain the ecosystem and do so in a way that celebrates "aloha". There is no doubt that this island has suffered through a pandemic and a horrible fire. Both of these events have truly diminished the aloha spirit that I have enjoyed for so much of my life. It is unfortunate that tourists and short-term rental owners have been villainized when ultimately, they are looking to share the magic of Maui with the caretakers of its history and culture.

There must be a middle place that allows for economy, fairness and aloha.

A tourist dependent economy hangs in the balance - fewer visitors undoubtedly results in less demand for services and products, resulting in reduced workforce and ultimately, less money for the island and those that live here.

The treatment of vacation rental owners has been abysmal - property taxes have doubled, insurance has quadrupled (thanks to poor emergency management) and every "ill" on this island seems to be blamed on short-term rentals. Enough! Most of these rental properties have been being rented for 30+ years, we cannot turn back time and undo what has been done. BUT, there are probably some problem solving options that can be found. True leaders solve problems without villainizing or isolating others - they bring people together with a solution that will provide opportunity for better for all. May the leaders of Maui find the fair solutions that maintain the magic of this island.

SB-1396-HD-2

Submitted on: 4/1/2025 9:14:19 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Noel Shaw	Individual	Support	Written Testimony Only

Comments:

Aloha,

I strongly support SB1396 and taxing visitors of Hawaii to create a fund so we are able to work to protecting our 'āina.

From my understanding of 'āina, the word means that which feeds. The point of all 'āina stewardship is to be able to ensure a people is able to eat from a place and feed others from it as well. With years of disruption to our natural resources, our food systems have been heavily impacted. The food systems are connected and dependent upon all the other environmental features of Hawaii.

When we say care for 'āina now we're calling to the interconnectedness of these things. We're calling to an urgency to do this work as we are on the cusps of even more climate change disruptions and invasive species (including people who visit and make home in Hawaii without an understanding of its intricate environmental features) are moving faster than we can stop them.

As a mother of 3 young Hawai'i who I plan to continue to raise here with a deep love for this place- I need to trust that funds are being allocated and put aside to care for that which feeds- to care for 'āina. In calling for that I am a good makua, I am a makua who intentionally steps into a space with an understanding of what's important. What's important is aina- the water, the land, the ocean, the rivers- and it's continue and restored ability to feed now and feed into the future.

Na'u me ka ha'aha'a

The Honorable Kyle Yamashita, Chair
and Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is **Glads B Bautista**, and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, **I urge you to reject SB1396 SD3 HD2.**

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Glads B Bautista

gladshawaii@yahoo.com

DocuSigned by:

Glads B Bautista

3BBEE66E15104DB...

SB-1396-HD-2

Submitted on: 4/2/2025 5:14:40 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Martin V Murphy Jr	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair

and Members of the Committee on Finance

Hawaii State House of Representatives

415 S. Beretania Street, Rm. #308

Honolulu, HI 96813

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Martin Murphy , and I rely on Hawaii’s tourism industry to support my family. I’m writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That’s not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii’s economy heavily relies on tourism, yet its unpredictability poses risks, as seen

during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness Should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Martin Murphy

SB-1396-HD-2

Submitted on: 4/2/2025 6:40:59 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jeffrey Kleintop	Individual	Oppose	Written Testimony Only

Comments:

Dear Chair and Members of the Committee,

My name is Jeffrey Kleintop, and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, unfairly places the burden of funding climate resilience on a single industry, and comes at a time when US tourism may be set for a sharp decline.

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

This rise in costs would only add to inflation pressures and the signs of a rapid shift away from travel to the US prompted by the Trump administration's policies. Canada is the source of most of the tourists to the US. Already airline travel from Canada to the US has fallen 13% in February from year ago according to data from Canada's official statistics Bureau on rising anti-US sentiment. Looking ahead, OAG--the trade group that tracks all airline bookings, has shown Canada-US route bookings through the summer months are down 70% from a year ago.

Finally, hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2. Thank you for your time and consideration.

SB-1396-HD-2

Submitted on: 4/2/2025 8:07:55 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Lynn Kader	Individual	Support	Written Testimony Only

Comments:

I support SB 1396 to enhance ecotourism and provide funding for the DLNR and other environmental programs. Our planet is in urgent need of sustainable solutions, and with tourism being one of Hawai'i's primary sources of income, increasing funding for eco-friendly initiatives would significantly improve waste management. This approach would ultimately save the state money, reduce waste, and decrease emissions from trash burning.

SB-1396-HD-2

Submitted on: 4/2/2025 9:17:25 AM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
helen raine	Individual	Support	Written Testimony Only

Comments:

I urge you to pass this vital bill to protect our aina and ensure that the visitor industry helps to support the very natural beauty that tourists come to see. With current federal cuts affecting sites that are the bedrock of conservation and sustainability efforts, there has never been a more important time to back this bill.

- We cannot wait another year - our ‘āina and communities need resources NOW.
- We cannot risk another devastating disaster.
- There is immense public support for this concept (visitors and residents) we need leaders to find a way forward now.
- Federal funding impacts on our environmental sector make us more vulnerable.
- Our communities know the solutions, this funding will empower them to lead and benefit our home.

Thank you for your consideration

Helen Raine

**Testimony in Support of SB1396 HD2
House Committee on Finance
Position: Support**

Aloha Chairs, Vice Chairs, and Members of the Committee,

My name is Hailey, Makiki resident, and I am submitting written testimony in strong support of SB1396, which would help dedicate funding toward Hawai'i's natural and cultural resources that sustain the safety of our people, place, and economy. **As an advocate for and practitioner of climate resilience, our best hope at increasing resilience starts with protecting and restoring the ecosystems that sustain where we live, work, play, and practice/learn from Native Hawaiian cultural practices.**

We are watching the consequences of underinvesting in our 'āina impact the people and places we love. Coral bleaching, fires, floods, and brown water pollution are harming the environment that sustains our visitor industry and economic livelihoods. This consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks come. It estimated **we need at least \$560 million each year** to effectively care for our natural and cultural resources in Hawai'i. Enacting legislation like SB1396 could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

The protection, management, restoration, and stewardship of Hawai'i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. We know that community organizations are working on the frontlines of resilience, adaptation, and stewardship, and this measure will empower experts across Hawai'i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. **I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai'i.** And, we already have local models to work from. I've seen firsthand the impact of powerful community climate resilience programs, like the City and County of Honolulu's Climate Champions program, which supports community organizations in strengthening climate adaptation efforts through dedicated funding and capacity building.

This is the year elected leaders must act to keep our communities and the environment that sustains us safe.

There is immense public pressure for this initiative, and there has been for years. Previous polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. *The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee.* Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary.

We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,
Hailey

SB-1396-HD-2

Submitted on: 4/2/2025 12:31:11 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Samantha Happ	Individual	Support	In Person

Comments:

Chair Yamashita, Vice Chair Takenouchi, and members of the House Committee on Finance:

Aloha. Thank you for the opportunity to submit testimony today. My name is Samantha Happ and I am a resident of Mō‘ili‘ili, previously a resident of the Federated States of Micronesia. I work to support island-led solutions for sustainable development across the Pacific - my background is on the economic, social, and environmental components that support well-being in islands, and how this can be examined through a lens of foresight.

We are seeing an increase in tourist and visitor interest in more regenerative and place-based experiences in their travels. These sorts of experiences require much of the ‘Āina, its resources, and its people—predictably, they will expect investment to the same (if not higher) degree, as the ‘Āina is not a business opportunity, it is a life source, supporting many more shareholders than just humans. To honor this shift and protect the wellspring of life on this island, we must place the invest in the well-being of communities, individuals, and the land as the most important aim, and do so in a way that balances both the short-term needs and (long-term) generations to come. This requires a holistic approach that transforms systems from the inside out, defining new relationships with visitors and place—a TAT increase is one such indication of a shift, as these transformations will inevitably ask us to reevaluate who pays—metaphorically and literally—for experiences and impacts, and what lengths we are willing to protect the people of our shared home.

As such, I am submitting this written testimony in strong support of SB1396 SD3 HD2, which aims to increase the transient accommodations tax and dedicate the additional funding towards environmental stewardship. I believe that increasing the Transient Accommodations Tax and assessing the Transient Accommodations Tax are two such means of shifting the weight of the footprint that the visitor industry leaves behind to those actually leaving it.

If this measure is passed, I believe that a crucial next step is to use fees collected by this tax to support Native and Indigenous wisdom keepers, natural resource managers, and community-led partners, in addition to DLNR, who are leading this work on climate environmental stewardship, climate and hazard mitigation, and sustainable (and regenerative) tourism. Ultimately, we should seek to collectively transform systems to more equitably redistribute the weight (of climate impact and of advocacy efforts to change it) and reimagine, enable and support structures for cultural, creative, and nature-based

economies that continue to place Hawai'i at the top of visitor destination lists but in a way that is truly sustainable for people and place.

Mahalo nui loa for the opportunity to submit testimony and for your consideration.. Please PASS SB1396 SD3 HD2.

Julie Eliason
59-123 Ka Nani Drive
Kamuela, Hawaii 96743
April 2, 2025

The Honorable Kyle Yamashita, Chair and
Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

RE: OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is Julie Eliason and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry. Although I fully support protecting Hawaii's natural and cultural resources, I do not believe this bill is the best way to accomplish that goal. I object to this bill for the following reasons:

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeing a decline in tourism. Any tax increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. Disaster Preparedness and Environmental Protection should Be Everyone's Responsibility

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

Julie Eliason

Testimony in Support of SB1396 HD2
House Committee on Finance
Position: Support
April 2, 2025

Aloha Chairs, Vice Chairs, and Members of the Committee,

My name is Kelia Hāla`iloa Yasuoka. I am a sophomore attending Kanu o ka `Āina Public Charter School's satellite O`ahu School, Ka `Ohā. I am submitting written testimony in **strong support of SB1396**, which would help dedicate funding toward Hawai'i's natural and cultural resources that sustain the safety of our people, place, and economy.

Personally, I am not as immersed in Hawai'i and the Hawaiian culture as my mom is, but that doesn't mean she hasn't tried. I can remember countless events she has dragged me to for my enlightenment. Did I like every event? No, but I know without a doubt they shaped me into the person I am today. Every learner's event, every documentary has imprinted upon me. I am glad I am not ignorant. That I know what's going on. That I have a sense of justice to not be satisfied with the current state of things. She made me a fighter, Hawaiian, or not. The reason why I share this about my life is because education of the youth by our families, by educators about our climate crisis; connecting it to Hawaiian cultural practices are other important pieces of the climate mitigation puzzle.

Unknowingly up until a certain point, I was just absorbing information and experiences like a sponge. I feel like the first time I became "aware-aware" about the urgency of the climate crisis that we are in was while watching this documentary called "David Attenborough: A Life On Our Planet in 2023." It forever changed me. I knew the planet was changing, I knew that my future wasn't guaranteed. But, I thought we still had time, I thought what we were doing was "enough." Oh how wrong I was, that documentary sent me into an **existential crisis**. **And as a youth, I am not alone**. Everything felt so hopeless, I hated humanity, still do. How could we be so selfish? We aren't the only living beings on this planet, we "might" hold higher intellect, that doesn't mean everything else is insignificant.

We are absolutely foolish to let diversity go to waste. It is because of diversity and the fragility of the environment that our species can flourish. We squash nature beneath our feet, with little regard for our impacts; we take advantage of the resources around us, but that is biting us back now. Man is not separate from nature, no matter how hard it tries to be, believes that it is.

Currently I am writing a book about my love for the earth—it's the fighter in me, it's my attempt to do my part to take action. I may feel lost at times, but I can still inspire others. Be the harbinger of their hope in these times where such a thing is so hard to find. Desperation may be natural but hope is what drives people to action—how can I give others hope? If such a movement were to take place, if the tides began to shift in the favor of nature, in the favor of

earth and its interdependent ecosystems, my hope and love for humanity might flourish again. I wish it would. I do not have a higher place to place my faith in. In a time when science and technology is under attack. But the research and the data does not lie.

It is my hope that this oratory that I shared at the Eā Hou Fest, on September 14, 2024, might inspire you all to feel the urgency I feel and push us all to take the necessary steps to move forward now. We can no longer wait to take fearless, robust approaches to mitigating the risks, the dangers, personally, as families, as communities, because it will take all of us taking the steps to lower our carbon footprint, to mitigate this climate crisis that we are existing within.

Give Us Hope

In this moment, in your eyes, I may just be a teenager—someone young, immature, clueless. Well, if that was your assumption, then your first impression was wrong. I am young, courageous, strong, vibrant, and highly aware.

Long before I came into existence, a world altering climate crisis has been brewing. Humanity has been aware of this issue for decades and yet there is still a lack of action.

I was born into a dying world. One bestowed upon me by my forefathers. A rapidly deteriorating planet, exploited by its inhabitants. A world that's wholly unique in all its frail beauty. The only one in the known universe. Yet, we treat our home as if another exists, like it's just one drive away. The Earth is abundant, but it is not infinite. Nothing is, there is an end to everything. Imagine a life with no clean water, or oxygen. Plastic and toxic chemicals leaching into the land, rendering it barren and infertile. No grain or fruits to nurture your body. No lush canopy to shield you from the sun. No roses to stop to smell. No soft grass to lay upon. An ocean warm with no fish or coral. An ocean that eats islands and decimates coastlines. Our whole existence heavily depends on the Earth. The Earth doesn't need us, we need the Earth. You might think, this isn't your problem, for you won't live to see the war, but I will. So will your children and grandchildren, for us, this issue is our reality, our future. How bleak is that?

60% of the youth today, myself included, feel climate anxiety. You don't know the countless nights I've spent dreading the reality of the situation. I think about all that will be lost, and all that we never had a chance to discover. I think about the countless natural disasters that will ravage communities. How the unique one of a kind islands and coastal communities will be lost to sea level rise. Where will all these people go? They don't deserve to lose their homes, culture—everything. Diversity is slowly dying. The few natural places left will be violated and decimated. Native species dying and invasives thriving, unrestrained. What will be left for me? Why am I, a child left to shoulder this burden. Is it not the duty of adults to protect and nurture the youth? Then why am I left to clean up this mess? It's not mine, I just woke up into this world with all this responsibility.

I've accepted long ago that I had to do something. If not me, then who? I'm tired of waiting for others to take action for me. Whether I like it or not, this issue heavily affects, not just me, but everyone. I'm a 16-year-old highschooler. There's only so much one person can do, let alone a child. Information, awareness, inspiration. This is my way of pulling my weight in this climate crisis. I can't vote, but I can do this. You can do something, anything you know will aid in this issue. If everyone globally did something small everyday to help, then that's something. It's the unity of our species collectively, in all our disputes and differences coming together. To be strong, ready, and prepared for the long war ahead. What a sight I'd like to see.

There's something you *can* do. Something I greatly ask that you do, too! Educate yourself and your children, don't let them be ignorant. You cannot solely rely on teachers to do your part. Pulling a blindfold over their eyes and leaving them in the dark will do nothing. You are failing your children, just like your parents may have failed you. Don't keep their future from them! You do not have that right. You will fail the effort and our chances at saving all the beautiful things in this world. Not teaching your child climate awareness—then we have one less warrior, one less innovator, activist, writer, reporter, educator, interpretive artist or scientist.

I *have* hope because I am not alone, there are so many other souls just like me. Who are actively trying to bring change, to give ourselves a fighting chance. Anyone who'd like to join us, be the hope, perhaps the last chance this world has. Do it not for me, but for your family, for your home, for your community. Could you bear the thought of your house gone, destroyed, decimated? Could you bear the suffering of your loved ones as they weather this torrential sea? I will cling to everything, till the nails are pried from my fingers, till my flesh decays and deteriorates, till my grip is frail and weak. Please, don't let me witness the world wither. So that 50 years from now, there will be something left for me, my children, their children, and so on and so forth. Give us hope!

I'm an artist, and a writer. My gift to the world is an illustrated book. Over the next year I will work on producing beautiful depictions of our home. I will write a story that brings the images to life, then I will read it to children. So they won't be ignorant, so they can be informed. So they can be strong, so they can be prepared. This is my part, so we can have a fighting chance. Please do something, no matter how insignificant it seems, it matters. I swear, if you inspire one person, good job, keep going. I believe in you, now fly little one.

As a student within a Hawaiian cultural school environment, I have seen how there are many Hawaiian culture focused sites across the island that are already doing the work. How can they also have access to the funding so that they can continue to do their important work?

I agree with Sierra Club Hawai'i: This **is** the year elected leaders must act to keep our communities safe. There is immense public pressure for this initiative, and there has been for years. Previous

polling showed 88% of residents support a visitor green fee. In January 2025, visitors were polled on their attitudes to a fee. *The results show that two-thirds of visitors support a \$50 visitor fee, and a quarter of them are more likely to visit Hawai'i with an enacted fee.* Visitors and residents agree: giving back to the places you visit is more than acceptable, it's necessary.

We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai'i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

My ultimate hope is that we can be a part of a global movement to save nature, to save earth, to save us. Such a foolish thing to ask for, but I will not lie, I am a dreamer. Shall we move beyond dreaming together and take the action necessary today.

Please vote in support of **SB1396 HD2**.

Mahalo for the opportunity to testify,
Kelia Hāla'iloa Yasuoka

SB-1396-HD-2

Submitted on: 4/2/2025 2:21:08 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
David R Johnson	Individual	Oppose	Written Testimony Only

Comments:

The Honorable Kyle Yamashita, Chair and
Members of the Committee on Finance
Hawaii State House of Representatives
415 S. Beretania Street, Rm. #308
Honolulu, HI 96813

April 2, 2025

OPPOSITION TO SB1396 SD3 HD2

Dear Chair and Members of the Committee,

My name is **[Your Name]**, and I rely on Hawaii's tourism industry to support my family. I'm writing to oppose SB1396 SD3 HD2 because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

1. Unclear Tax Increase Hurts Local Workers

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a clear percentage. Businesses, workers, and families like mine deserve to know what to expect. Lawmakers here are essentially asking for a blank check. That's not fair to those of us who make a living in tourism.

2. Tourism-Dependent Economy Cannot Take More Stress

Hawaii's economy heavily relies on tourism, yet its unpredictability poses risks, as seen during the COVID-19 pandemic and other global events that affect travel. Additionally, with one of the highest hotel tax rates in the country, we are already seeking a decline in tourism. Any increase could deter visitors, making Hawaii less competitive compared to other destinations. This would result in fewer tourists, leading to job losses and decreased income for local workers.

3. **Disaster Preparedness Should Be Everyone's Responsibility**

Hurricanes, wildfires, and volcanic eruptions don't just affect tourists—they affect all of us. Why should only the tourism industry pay for disaster response? A more balanced approach would share the cost across all taxpayers instead of putting all the pressure on tourism workers and businesses.

For these reasons, **I urge you to reject SB1396 SD3 HD2.**

Hawaii needs responsible, transparent financial planning, not unstable tax increases that could hurt our economy and local families.

Thank you for your time and consideration.

Sincerely,

David R Johnson

SB-1396-HD-2

Submitted on: 4/2/2025 3:22:56 PM

Testimony for FIN on 4/2/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Sean George	Individual	Oppose	Written Testimony Only

Comments:

Dear Chair and Committee Members,

My name is Sean George, and I am a business owner that operates on Maui in the tourism industry. **I'm writing to oppose SB1396 SD3 HD2** because it proposes an unclear tax increase, depends on unstable tourism revenue, and unfairly places the burden of funding climate resilience on a single industry.

This bill proposes raising the Transient Accommodations Tax (TAT) without setting a definite amount. Further, these tax rates are already incredibly high and costing Hawaii tourist visits- they're choosing to travel elsewhere.

Hawaii's economy heavily relies on tourism, but tourism is unpredictable. And our high tourist accommodation tax rates are causing a decline in tourism in Hawaii. An increase will make Hawaii even less competitive compared to other destinations. All of us in the tourism industry will suffer as a result.

The tourism industry should not disproportionately and unfairly pay for disaster response that affects our entire community. Disaster response costs should be shared across all taxpayers instead of unfairly placing those costs solely on tourism workers and businesses.

For these reasons, I urge you to reject SB1396 SD3 HD2.

Thank you for your consideration.

Sean George