



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

**Senate Committees on Economic Development and Tourism
and Water and Land**

Tuesday, March 18, 2025

1:00 p.m.

State Capitol, Conference Room 229, and Videoconference

In Support

H.B. No. 504, H.D. 2, Relating to Environmental Stewardship

Chairs DeCoite and Inouye, Vice Chairs Wakai and Elefante, and Members of the Senate Committees on Economic Development and Tourism and Water and Land:

The Office of the Governor supports H.B. No. 504, H.D. 2, Relating to Environmental Stewardship. H.B. No. 504, H.D. 2, increases the Transient Accommodations Tax (TAT) beginning January 1, 2027, appropriates funds to the Department of Land and Natural Resources for certain environmental stewardship projects, and establishes the Reimbursable General Obligation Bond Debt Service Special Fund (RGOBDSSF).

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 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 Hawaii residents, the Office of the Governor supports increasing the Transient Accommodations Tax (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 fiscal year (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 the RGOBDSSF 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. 1 currently does, rather than into the RGOBDSSF, 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. Therefore, **the Office of the Governor respectfully requests your committees mandate 8.9% of total TAT revenues be deposited into the RGOBDSSF.**

Although the Office of the Governor supports the deposit of the additionally generated TAT revenues into the RGOBDSSF, we share B&F's concerns regarding the language establishing the RGOBDSSF. The establishment of the RGOBDSSF in section 5 of H.B. No. 504, H.D. 1, implies a nexus exists between the RGOBDSSF and the subject matter of the bill, environmental stewardship. However, RGOBDSSF's establishing statute does not outline the fund's allowable uses. Indeed, no language in the RGOBDSSF's establishing statute mandates funds deposited into the special fund be expended for the purposes of environmental stewardship, climate and hazard mitigation, nor sustainable tourism. Therefore, **the Office of the Governor respectfully requests your committees to amend section 5 of the bill to specify that RGOBDSSF's expenditure ceiling be allocated as follows: 40% to environmental stewardship, 40% to climate and hazard mitigation, and 20% to sustainable tourism.** Additionally, we note B&F's concerns with the RGOBDSSF's impact on the State's total indebtedness and debt ceiling calculation. To help address these concerns, **the Office of the Governor requests your Committees to more closely conform the language establishing the RGOBDSSF with standard special fund establishment language.**

The Office of the Governor appreciates the inclusion of language appropriating general revenues for environmental stewardship, climate and hazard mitigation, and sustainable tourism projects for FY 2025-2026 and FY 2026-2027. Given that environmental, hazard, and tourism projects fall under the purview of multiple departments—for example, the Departments of Agriculture; Business, Economic Development, and Tourism; Defense; Hawaiian Home Lands; and Land and Natural Resources—the **Office of the Governor requests your committees to authorize multiple departments to expend funds appropriated by section 4 of the bill.** Authorizing multiple expending departments ensures that projects are led by departments with

jurisdiction over and subject matter expertise on the specific project, whether relating to environmental stewardship, climate and hazard mitigation, or 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. Increase the TAT by 1.0% from 10.25% to 11.25% (section 2)
2. Mandate 8.9% of total TAT revenues be deposited into the RGOBDSSF (section 2)
3. Specify that RGOBDSSF's expenditure ceiling be allocated as follows: 40% to environmental stewardship, 40% to climate and hazard mitigation, and 20% to sustainable tourism (section 5)
4. Conform the language establishing the RGOBDSSF with standard special fund establishment language (section 5)
5. Authorize multiple departments to expend appropriated funds (section 4)
6. Insert an appropriation amount of \$90 million (section 4)

Climate mitigation and resiliency are essential to the health, safety, and wellbeing 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.



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

JOSH GREEN, M.D.
GOVERNOR

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Statement of
JAMES KUNANE TOKIOKA
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT
SENATE COMMITTEE ON WATER AND LAND

Tuesday, March 18, 2025
1:00 PM
State Capitol, Conference Room 229

In consideration of
HB 504, HD2
RELATING TO ENVIRONMENTAL STEWARDSHIP.

Chairs DeCoite and Inouye, Vice Chairs Wakai and Elefante, and members of the Committees:

DBEDT supports HB504 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. Multiple Expending Agencies for Appropriation (Section 4)
Given the broad scope of the projects, we request multiple expending agencies for Section 4 appropriations. Agencies involved in project identification are best suited for execution, ensuring efficiency and accountability.
2. Deposit TAT Revenue into the Special Fund (Section 2 & 5)
We propose directing additional TAT revenues to the special fund in Section 5 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 HB504 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.

HB504 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.

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
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MANAGEMENT
CONSERVATION AND COASTAL LANDS
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 Senate Committees on
ECONOMIC DEVELOPMENT AND TOURISM
and
WATER AND LAND

Tuesday, March 18, 2025
1:00PM

State Capitol, Conference Room 229, and Via Videoconference

In consideration of
HOUSE BILL 504, HOUSE DRAFT 2
RELATING TO ENVIRONMENTAL STEWARDSHIP

House Bill 504, House Draft 2 amends the transient accommodations tax rate to require a \$20 transient accommodation tax per night for each furnishing of transient accommodations in exchange for points, miles, or other amounts provided through a membership, loyalty, or rewards program. It also appropriates funds to DLNR for specific environmental stewardship projects and establishes the reimbursable General Obligation Bond Debt Service Special Fund. **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.

The Department supports directing general funds to advance projects that address climate change to close the funding gap for managing Hawaii’s natural resources. For the next two fiscal years (FYs 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 impacts on the environment. For example, our Division of Forestry and Wildlife’s [interactive story map^{\[1\]}](#), highlights over 80 possible projects. DLNR is eager to collaborate with agency partners, including the Hawai‘i Tourism Authority, to implement these critical 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 a necessity to protect our future.

Mahalo for the opportunity to testify on this measure.

^[1] See <https://arcg.is/OGOfL10>

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
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DEPARTMENT OF TAXATION

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GARY S. SUGANUMA
DIRECTOR

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DEPUTY DIRECTOR

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 504, H.D. 2, Relating to Environmental Stewardship.

BEFORE THE:

Senate Committees on Economic Development and Tourism and Water and Land

DATE: Tuesday, March 18, 2025
TIME: 1:00 p.m.
LOCATION: State Capitol, Room 229

Chairs DeCoite and Inouye, Vice-Chairs Wakai and Elefante, and Members of the Committees:

The Department of Taxation (DOTAX) offers the following comments regarding H.B. 504, H.D. 2, for your consideration.

Section 2 of H.B. 504, H.D. 2, amends section 237D-2, Hawaii Revised Statutes (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.

Additionally, section 2 of the bill adds a new subsection (f) to section 237D-2, HRS, imposing a tax of \$20 per night for transient accommodations booked using points, miles, or other membership, loyalty, or rewards programs, beginning on January 1, 2027.

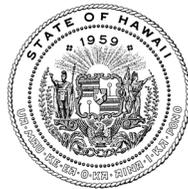
H.B. 504, H.D. 2 has a defective effective date of July 1, 3000.

DOTAX notes that enforcement of the surcharge presents challenges, as the TAT is currently assessed on gross rentals or gross rental proceeds derived from furnishing

transient accommodations. These amounts are already reported by taxpayers for income tax purposes and can be easily verified.

Conversely, nightly bookings made with points, miles, or other rewards programs are not currently reported on any tax forms and are not readily available for DOTAX to audit. Effective enforcement of the measure would require taxpayers to report bookings made each night through rewards programs and may require individual examinations to verify. This will require significant form changes and training for investigators and field auditors to implement.

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



JOSH GREEN, M.D.
GOVERNOR

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LIEUTENANT GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEES ON ECONOMIC DEVELOPMENT AND TOURISM
AND WATER AND LAND
ON
HOUSE BILL NO. 504, H.D. 2

March 18, 2025
1:00 p.m.
Room 229 and Videoconference

RELATING TO ENVIRONMENTAL STEWARDSHIP

The Department of Budget and Finance (B&F) provides comments on this bill.

House Bill (H.B.) No. 504, H.D. 2, Part I: 1) proposes to increase the transient accommodations tax (TAT) to create a source of revenue for environmental stewardship; 2) requires a \$20 TAT to be levied per night for each furnishing of transient accommodations in exchange for points, miles, or other amounts provided through a membership, loyalty, or rewards program; and 3) appropriates an unspecified sum of general funds for FY 26 and FY 27 to the Department of Land and Natural Resources (DLNR) for environmental stewardship projects. Part II of the bill establishes the Reimbursable General Obligation (G.O) Bond Debt Service Special Fund (RGOBDSSF) to be administered by B&F to fund debt service payments on G.O. bonds.

B&F understands the importance to establish a dedicated source of funding to mitigate the effects of climate change on the state's infrastructure, and B&F defers to DLNR and the Department of Taxation on the merits of and their capacities and needs to implement Part I of the bill; however, B&F has concerns with Part II of the bill.

It appears the intent of Part II of the bill is to fund capital improvement program projects with reimbursable G.O. bonds and use the RGOBDSSF as the source of reimbursement for the debt service payments to exclude the inclusion of the bonds' debt service as part of the State's total indebtedness used to determine if the State is within the debt ceiling limit established by Article VII, Section 13, of the Constitution of the State of Hawai'i (State Constitution). Language must be included in an appropriation in order for debt service to be excluded from the debt ceiling calculation. That language does not appear to be present in this version of the bill.

Furthermore, the establishment of the RGOBDSSF, may create challenges with the title of H.B. No. 504, since it appears to be broadly applicable to any type of reimbursable general obligation bond debt.

B&F recommend that a special fund be established with specific expenditure provisions highlighting a nexus between the source of revenue identified in Part I of the bill and the intended expenditure from the fund

Thank you for your consideration of our comments.



TESTIMONY OF
DANIEL NĀHO'OPI'I
Interim President & CEO
Hawai'i Tourism Authority
before the
SENATE COMMITTEES ON ECONOMIC DEVELOPMENT AND TOURISM
AND
WATER AND LAND

Tuesday, March 18, 2025
1:00 p.m.
State Capitol, Room 229

In consideration of
HB 504 HD 2
RELATING TO ENVIRONMENTAL STEWARDSHIP

Aloha Chairs DeCoite and Inouye, Vice Chair Wakai and Elefante, and Members of the Committees,

The Hawai'i Tourism Authority (HTA) offers comments on HB 504 HD 2, which amends the transient accommodations tax (TAT) rate of January 1, 2027 and requires a \$20 TAT to be levied per night for each furnishing of transient accommodations in exchange for points, miles, or other amounts provided through a membership, loyalty, or rewards program. It also appropriates funds to DLNR for certain environmental stewardship projects. Furthermore, it establishes the Reimbursable General Obligation Bond Debt Service Special. 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.

HTA has collaborated with the Department of Land and Natural Resources and has identified tourism-related environmental stewardship projects that should be funded by TAT revenue generated from visitors. Additionally, HTA will continue to engage with community and industry stakeholders to gather input on future projects that align with the desired nexus to tourism. This collaboration will help preserve Hawai'i's natural resources while enhancing the visitor experience

for both malihini and kama'āina. Many sustainable tourism projects are needed. Examples of projects that should be funded include but are not limited to:

- Construction of trailheads and parking improvements to manage and reduce congestion at popular sites
- Improvements at boat harbors for enhanced recreational and commercial use
- Implementation of management plans that can provide alternative destinations for visitors and alleviate crowding at other popular sites
- Establishing local stewardship programs to manage trails or parks
- Beach nourishment or coastal restoration at popular beaches
- Community-driven management of marine areas
- Carrying Capacity studies in marine-managed areas
- Education and outreach promote sustainable tourism
- Installation of interpretive signage

While we understand the intention behind raising the TAT, we caution that such tax increases should not create barriers to travel but provide a positive and competitive business environment [HRS 201B-3(a)(17)].

Regarding the \$20 tax levied per night on each furnishing of transient accommodation in exchange for points, miles, or other amounts provided through a membership, loyalty, or rewards program, we defer to the appropriate agency to determine whether or not the mechanics of such a tax can be effectively implemented.

Mahalo for the opportunity to share our comments on HB 504 HD 2.



**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

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JOSH GREEN, M.D.
GOVERNOR

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LT. GOVERNOR

STERLING HIGA
CHAIRPERSON

CRAIG K. NAKAMOTO
EXECUTIVE DIRECTOR

Statement of
CRAIG K. NAKAMOTO
Executive Director
Hawai'i Community Development Authority
before the
**SENATE COMMITTEES ON ECONOMIC DEVELOPMENT AND TOURISM
AND
WATER AND LAND**

Tuesday, March 18, 2025
1:00 p.m.
State Capitol, Conference Room 229 & Videoconference

In consideration of
HB 504, HD 2
RELATING TO ENVIRONMENTAL STEWARDSHIP.

Chairs DeCoite and Inouye, Vice Chairs Wakai and Elefante, and members of the Committees.

The Hawai'i Community Development Authority (HCDA) **supports this bill and respectfully offers comments** for the committee's consideration.

General Comments

The State's natural resources should be stewarded and protected for this and future generations. The State's natural resources are also economic drivers for the State, especially its beaches, and forests. The bill proposes an increase in the transient accommodations tax to create a fund that can be used to steward those precious natural resources. The Department of Land and Natural Resources is identified as the State agency that will implement projects funded by the increase in the transient accommodations tax.

Specific Comments

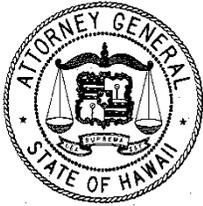
1. The scope and breadth of the projects that could be implemented under this bill could be wide-ranging and perhaps more workable if various state agencies are given the responsibility to implement the projects. As such, we suggest the following changes:

| Page/Lines | Suggested Revision (deletions crossed out, additions underlined) |
|-----------------------|---|
| Page 3, Line 2 | “ funding to the department of land and natural resources <u>expending agency.</u> ” |
| Page 7, Line 1 | “ The <u>expending agency</u> department of land and natural resources shall ” |
| Page 8, Line 13 | “ provided that the <u>expending agency</u> department of land and natural resources “ |
| Page 8, Line 16-17 | “ provided further that the <u>expending agency</u> department of land and natural resources shall “ |
| Page 8, Line 19-20 | “ expended by the <u>expending agency</u> department of land and natural resources “ |

2. As drafted, this bill requires the additional transient accommodations tax generated by this bill to be deposited into general funds. We suggest that such additional tax revenues be deposited into special funds by amending section 237D-6.5(b), HRS, to allocate the revenues generated by the TAT increase to the Reimbursable General Obligation Bond Debt Service Special Fund.

Depositing revenues into the special fund rather than the general fund will ensure the additional revenues generated by the increase to the TAT are safeguarded for the stewardship of the State’s natural resources.

Thank you for the opportunity to provide testimony.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2025**

ON THE FOLLOWING MEASURE:

H.B. NO. 504, H.D. 2, RELATING TO ENVIRONMENTAL STEWARDSHIP.

BEFORE THE:

SENATE COMMITTEES ON ECONOMIC DEVELOPMENT AND TOURISM AND ON
WATER AND LAND

DATE: Tuesday, March 18, 2025

TIME: 1:00 p.m.

LOCATION: State Capitol, Room 229

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Colin J. Lau, Deputy Attorney General

Chairs DeCoite and Inouye and Members of the Committees:

The Department of the Attorney General provides the following comments.

This bill amends the Transient Accommodations Tax beginning on January 1, 2027, to require a \$20 levy per night on transient accommodations in exchange for points, miles, or other amounts provided through a membership, loyalty, or rewards program to create a source of revenue for environmental stewardship; and appropriates funds for various environmental stewardship projects to the Department of Land and Natural Resources for the protection, management, and restoration of the State's natural resources.

House Draft 2 added a new part II, section 5, to create a new section within the chapter on state bonds, chapter 39, Hawaii Revised Statutes (HRS), for the establishment of a Reimbursable General Obligation Bond Debt Service Special Fund (Fund) to fund debt service payments on general obligation bond funds issued, with all interest earned to be credited to the Fund. The Fund is to be administered by the Department of Budget and Finance and the Director of Finance may adopt rules for the purposes of the new section added to chapter 39, HRS.

Article III, section 14, of the Hawaii Constitution states that "[e]ach law shall embrace but one subject, which shall be expressed in its title." Although the term "subject," as used in the Constitution, should be given "a broad and extended meaning,

so as to allow the legislature full scope to include in one act all matters having a logical or natural connection" there still must be only one subject embraced by a bill. *Schwab v. Ariyoshi*, 58 Haw. 25, 33, 564 P.2d 135, 140 (1977). The new part II of this bill, as drafted, is unrelated to the purposes of funding environmental stewardship or the protection, restoration, or enhancement of Hawaii's natural resources or responding to climate crises as indicated in prior versions of this bill.

The purpose of article III, section 14, is to give notice to the public and members of the Legislature of the contents of a bill. The subject expressed in the title of this bill is "environmental stewardship." The bill amends section 237D-2, HRS, by increasing Transient Accommodations Tax revenues to the State General Fund, which in turn will be used to fund environmental stewardship projects to protect, restore, or enhance the State's natural resources. A court could hold that no one reading the title of the bill would be led to suspect that it contains a separate provision relating to the fund debt service payments on general obligation bond funds issued. We therefore suggest that the additions in part II be deleted to safeguard the bill from constitutional challenge.

Finally, we note that section 37-52.3, HRS, describes criteria for establishing a special fund as that serving a demonstrated need, reflecting a clear nexus between the benefits sought and charges made upon the program users or beneficiaries or a clear link between the program and sources of revenue, providing an appropriate means of financing for the program or activity; and demonstrating the capacity to be financially self-sustaining. Article VII, section 12, of the Hawaii Constitution defines a "reimbursable general obligation bond" as one issued for "a public undertaking, improvement or system from which revenues, or user taxes, or a combination of both, may be derived from the payment of principal and interest as reimbursement of the general fund and for which reimbursement is required by law." The proposed amendment to establish a new reimbursable general obligation bond debt service special fund does not appear to meet the criteria in section 37-52.3, HRS.

Based on the legal concerns expressed above, we recommend that part II of the bill be deleted. Thank you for considering our testimony.

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
Senate Committee on Economic Development and Tourism
and
Senate Committee on Water and Land
Tuesday, March 18, 2025, 1:00 PM
State Capitol, Conference Room 229
in consideration of
House Bill No. 504, HD2
RELATING TO ENVIRONMENTAL STEWARDSHIP

Chairs DeCoite and Inouye, Vice Chairs Wakai and Elefante and Members of the Committees:

Thank you for the opportunity to testify in **support** of HB504, HD2, relating to environmental stewardship.

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.

Environmental stewardship projects cover a broad spectrum which also includes hazard and climate mitigation as well as sustainable tourism. Given the breadth of the three categories, the Hawaii Green Infrastructure Authority respectfully requests that the Committees (1) identify multiple expending agencies for appropriation in Section 4 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 Section 5 of the bill to ensure that these funds are set aside for its intended purpose of environmental stewardship, hazard mitigation and sustainable tourism.

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.

Thank you for this opportunity to testify and provide comments on HB 504, HD2.



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

**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 Senate Committees on
ECONOMIC DEVELOPMENT AND TOURISM
&
WATER AND LAND**

**Tuesday, March 18, 2025
1:00 PM
State Capitol, Conference Room 229& Videoconference**

**In consideration of
HOUSE BILL 504, HOUSE DRAFT 2
RELATING TO ENVIRONMENTAL STEWARDSHIP**

House Bill 504 amends the transient accommodations tax rate and requires a \$20 transient accommodation tax to be levied per night for each furnishing of transient accommodations in exchange for points, miles, or other amounts provided through a membership, loyalty, or rewards program. This bill appropriates funds to DLNR for protection, management, and restoration of the State's natural resources.

The Hawai'i Climate Change Mitigation and Adaptation Commission (Commission) **supports** this measure provided that its passage does not replace or adversely impact priorities indicated in the Executive Budget request. 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.

This bill provides a sustainable funding mechanism to support climate actions across the state to mitigate and recover from the life-threatening impacts of climate change. Climate actions have been severely underfunded with expected costs rising each year of inaction.

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 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.

The Commission's "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. The establishment and funding of this fund is an important strategy to close the gap between existing and needed funding for climate disaster preparation and recovery. This program would bolster the State's existing investments in climate readiness.

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 the biggest impacts on our environment, is the biggest contributor to climate change in the state and it is time to prioritize residents' needs. Promises to design our tourism industry around quality of life for residents after covid have not been met while much work still needs to be done to create a sustainable tourism economy the contribution of the TAT review can help to contribute to actions to making Hawai'i safer in the face of climate change.

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

ⁱ <https://www.uschamber.com/security/the-preparedness-payoff-the-economic-benefits-of-investing-in-climate-resilience>

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

Hawai'i Ocean Legislative Task Force



March 18, 2025

Hawai'i State Legislature
Senate Committee on Economic Development & Tourism
Senate Committee on Water & Land

Re: Testimony in SUPPORT of HB504 HD2, Relating to Environmental Stewardship

Aloha Chairs DeCoite & Inouye, Vice Chairs Wakai & Elefante, and Members of the Committees,

The Ocean Legislative Task Force, a coalition of over 120 individuals and organizations committed to protecting Hawai'i's marine ecosystems, supports HB504 HD2, Relating to Environmental Stewardship. This bill amends the transient accommodations tax rate and establishes a \$20 per-night tax on transient accommodations obtained through points, miles, or other rewards program benefits. The revenue generated will be allocated to the Department of Land and Natural Resources to support the protection, management, and restoration of Hawai'i's natural resources. It also establishes a reimbursable General Obligation Bond Debt Service Special Fund to fund debt service payments on general obligation bonds.

Hawai'i's natural resources are the foundation of its communities, culture, and overall well-being. From native forests and freshwater resources to coastal lands and coral reefs, these ecosystems provide essential benefits such as clean water, biodiversity, and protection from natural disasters. However, climate change and environmental degradation continue to threaten these irreplaceable resources, increasing the risk of wildfires, coastal erosion, and ecosystem collapse. Without sufficient funding for conservation and restoration, these challenges will only grow more severe.

HB504 HD2 provides many elements of necessary solutions by establishing a dedicated funding source to protect and restore Hawai'i's environment. By increasing the transient accommodations tax, the state can allocate much-needed resources to the Department of Land and Natural Resources, ensuring proper management of ecosystems and effective responses to climate-related threats. Investing in environmental stewardship is essential for maintaining the stability of Hawai'i's food systems, water supply, and public health.

This measure is a responsible and forward-thinking approach to safeguarding Hawai'i's future. Protecting the state's natural resources is not only a constitutional responsibility but also a moral obligation to current and future generations. We support HB504 HD2 and wish to serve as a resource to legislators as they resolve language in this bill to secure a healthier and more resilient Hawai'i.

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.



March 17, 2025

TO: Senator Lynn DeCoite, Chair EDT
Senator Lorraine Inouye, Chair WTL
Members of the Joint Committee on Economic Development and Tourism and Water and Land

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

RE: Testimony in Opposition to HB 504 – Relating to Environmental Stewardship

Aloha Chairs DeCoite, Inouye, and members of the Committee,

Thank you for allowing ARDA Hawaii to submit testimony in **OPPOSITION** to HB 504 – Relating to Environmental Stewardship. 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 a 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.

HB 504 would amend the TAT to require a \$20 fee to be levied per night for transient accommodations that are paid for using points, miles, or other amounts provided through a membership, loyalty, or rewards program. These funds would be used to provide funding to the DLNR for certain environmental stewardship projects. While ARDA Hawaii understands the intent to generate revenue for environmental conservation, this tax unfairly penalizes repeat visitors, discourages tourism, and places an additional tax on travelers who use rewards points for their stays.

Hawaii risks becoming less competitive with this tax, as many other destinations do not impose similar charges on reward-based stays. Placing an additional financial burden on travelers who have earned their stays through loyalty programs will discourage return visits and push tourists toward other destinations with more favorable policies. Loyalty programs exist to encourage travelers to return to the same location multiple times, and those who use them often spend significantly on dining, entertainment, and local businesses.

The proposed tax is particularly unfair to timeshare owners, who already contribute significantly to Hawaii’s economy through existing taxes, including property taxes, TAT, and

general excise taxes. These taxes apply regardless of whether the stay is booked with cash or points. Imposing an additional per-night tax on reward-based stays amounts to double taxation and unfairly targets timeshare owners and hotel loyalty members. This added financial burden on travelers could also harm Hawaii's broader tourism industry. Many visitors use points to offset travel costs, and for families and long-term visitors, additional fees could make Hawaii unaffordable. As a result, hotels, timeshares, and vacation rentals could see a decrease in bookings, leading to lower revenue for local businesses and fewer jobs in the hospitality sector.

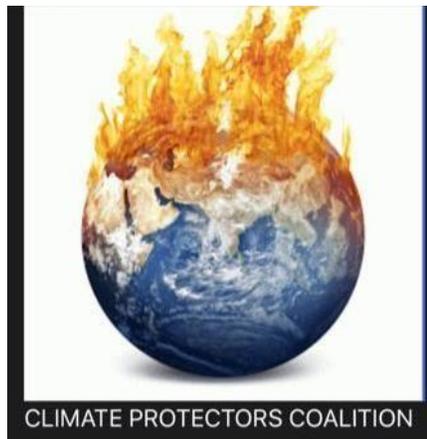
To maintain Hawaii's appeal as a top travel destination while ensuring fair tax policy, I urge the committee to remove the \$20 per night tax on reward-based accommodations. If additional revenue is needed, lawmakers should explore alternative sources that do not disproportionately affect loyal visitors who contribute to the local economy. By eliminating this provision, Hawaii can continue to attract return travelers, support its tourism industry, and maintain a fair and competitive tax system.

Finally, we would note that the bill has a Part II which was added in by the House, but which is questionable that it fits under the title "Environmental Stewardship." It amends HRS Chapter 39, State Bonds, and adds a new section for "**Reimbursable general obligation bond debt service special fund; established; distribution of funds.**" This new Part II on bond financing appears to have little or nothing to do with the other sections of the bill since none of the funds go into this new fund, and there is nothing in this new fund that relates to environmental stewardship.

We respectfully urge you to reject the proposed tax on reward-based stays. Mahalo for your consideration of our comments.

Respectfully Submitted,

ARDA Hawaii



To: The Honorable Senators Lynn DeCoite and Lorraine Inouye, Chairs, the Honorable Senators Glenn Wakai and Brandon Elefante, Vice Chairs, and Members of the Committees on Economic Development and Tourism and Water and Land.

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

Re: **Hearing HB504 HD2 RELATING TO ENVIRONMENTAL STEWARDSHIP**

Tuesday March 18, 2025, at 1:00 p.m. CR229

Aloha Chairs DeCoite and Inouye, Vice Chairs Wakai and Elefante, and Members of the Committees on Economic Development and Tourism and Water and Land!

The 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. We support funding for environmental stewardship measures to protect the environment, reefs and ocean. The mission of the Climate Protectors Hawai'i is to educate and engage the local community in climate change action. We support funding for environmental stewardship measures to protect the environment and reduce climate heating and its impacts.

Hawai'i Reef and Ocean Coalition and Climate Protectors Hawai'i **STRONGLY SUPPORT HB504 HD2!**

Hawai'i's natural environment faces **significant environmental pressure from the heavy use it receives from visitors** traveling to enjoy the State's natural resources. Pathways are eroded, bathrooms overloaded, marine life trampled, signage ignored, and the lack of staffing by state and county agencies puts a huge burden on communities and non-profits. The **stability of the State's natural systems is threatened, including food systems, water quality, ecosystems, fisheries, economic resilience, and health and safety.**

The current **underinvestment in the State's natural resources poses a significant liability to the visitor industry and to Hawai'i's residents.** It is estimated that **we need at least \$560 million more each year to effectively care for our natural and cultural resources in Hawai'i!**

The **escalating impacts from climate heating** also create an increasing threat to Hawai'i's island ecosystem and communities. 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. **Additional funding is needed to restore the State's natural resources to help prevent climate crises from occurring, including wildfires, floods, coastal erosion, and degradation of coral reefs.**

It is reasonable to ask visitors to help contribute to caring for the environment they enjoy during their stay, and the transient accommodations tax offers an existing program to do so. This bill would **increase the transient accommodations tax in 2027 by \$20 per night in exchange for points, miles, or other amounts provided through a membership, loyalty, or rewards program to create a source of revenue for environmental stewardship, to be implemented through additional funding to the Department of Land and Natural Resources (DLNR).** For a more detailed understanding of specific projects these funds could support, DLNR's Division of Forestry and Wildlife has an interactive story map highlighting ongoing and potential environmental stewardship initiatives across the state. Viewers can learn about the location, budget, and descriptions of over 80 possible projects.

A modest increase in the transient accommodations tax of \$20 per night can generate greatly needed funding to help restore the State's natural resources, help prevent and respond to climate crises, and leave a more positive environmental legacy for future generations. **The increased tax is a reasonable and appropriate way to generate these needed revenues. An increase of \$20 per night will not materially increase vacation costs,** as it represents **less than five percent of the average cost** of a week's vacation in Waikiki flying from California (\$3,000-\$4,000). Other places that charge visitor fees, such as Palau and New Zealand, **have not experienced a decline in**

visitors due to their fees. Failure to maintain Hawaii's natural resources and pristine environment, on the other hand, will lead to fewer visitors.

It is critical that any funding generated from this charge to visitors go to protecting natural resources only! Funding should be distributed to solutions that are community based and facilitate partnerships between community and agencies.

For years, there has been wide public support for environmental program fees. 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 cannot wait for another fire, flood, or coral 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.

Please help care for Hawaii's environment by passing this bill with an environmental stewardship fee that is dedicated solely to protecting natural resources within the purview of the Department of Land and Natural Resources.

Mahalo!

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



Hawai'i Climate Advisory Team

To: Senator Lynn DeCoite, Chair
Senator Glenn Wakai, Vice Chair
Senate Committee on Economic Development and Tourism

Senator Lorraine R. Inouye, Chair
Senator Brandon J.C. Elefante, Vice Chair
Senate Committee on Water and Land

From: The Climate Advisory Team

HB504, HD2 - Relating to Environmental Stewardship - Support With Comments

Tuesday, March 18, 2025, 1:00 p.m., Conference Room 229 & Videoconference

Aloha Chairs DeCoite and Inouye, Vice Chairs Wakai and Elefante, and Members of the Committees,

Mahalo for the opportunity to testify in **support of the intent** of HB504, HD2 relating to environmental stewardship. 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 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 dedicated revenue sources that ensure 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.

We support the intent of HB504, HD2 in that it would establish a funding mechanism to raise TAT revenues and direct some of those funds towards climate mitigation and resiliency work. The CAT respectfully requests that the committee consider expanding how the funds are used to include projects that strengthen the state's built environment, which is at increased risk of destruction from climate-related disasters. Just as the tourism industry depends on Hawai'i's natural resources, it also depends on our built environment resources including bridges, transit, ports, and water systems. In turn, we believe the increased TAT revenues should be directed toward strengthening both our natural and built environment against the adverse impacts of climate change and disasters. The CAT underscores



Hawai'i Climate Advisory Team

the viability of this funding approach to support disaster resilience work in Hawai'i, particularly the fact that it would not place significant added financial burden on residents, while still providing urgently needed revenues to address the increasing costs associated with 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. While funding alone will not solve the challenges we face from disasters, the CAT emphasizes the fact 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's families face.

The CAT's analysis finds that increasing the Transient Accommodation Tax (TAT) to a total of 12 percent would provide a substantial and likely consistent funding stream for disaster resiliency initiatives while minimizing any direct financial hit to residents and the most vulnerable populations of our state. While the stability of this revenue source is closely tied to visitor numbers which can vary, it is also tied to visitor impacts on the environment and our state's built infrastructure.

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.



Hawai'i Climate Advisory Team

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 Climate Mitigation and Resiliency 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. 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 to face disasters.
- **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 and provide comments on HB504, HD2.

With aloha,

The Climate Advisory Team

Testimony in Support of HB504 HD2
Senate Committee on Economic Development and Tourism
Senate Committee on Water and Land

Aloha Chair DeCoite, Vice Chair Wakai, Chair Inouye, Vice Chair Elefante, and Members of the Committee,

My name is Maka Gibson, and I am submitting written testimony in **strong support of HB504**, which aims to increase the transient accommodations tax (TAT) and dedicate the additional funding towards environmental stewardship, and the care of our biocultural resources that sustain Hawai'i. I am Native Hawaiian, Japanese, and Chinese, and I was born and raised in 'Ewa Beach, but now call the beautiful windward side and Kāne'ohe home. Over the past 30 years, I have witnessed firsthand the effects of climate change, and how critical it is for our state to start taking proactive measures to protect our environment and its natural resources.

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. 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.

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.**

I serve as a Program Officer at Resources Legacy Fund, where I lead a new Environmental Protection Agency (EPA) program called Environmental Justice Thriving Communities Grant Program. This program could provide grants of up to \$350,000 to communities working on environmental justice, climate change, and public health issues, which could equate to

\$10-12 million of projects funded around the state. That program is on pause due to the Trump Administration, but this community grant program could fill that gap.

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.

As a mother of a 16-month-old little girl and another baby on the way, I know how important it is for Hawai'i to start making serious investments in our 'āina and its resources so that my keiki and their keiki can not only survive but thrive.

Mahalo nui for the opportunity to testify,

Maka Gibson

Resources Legacy Fund



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

Testimony in Support of HB504 HD2 Senate Committee on Economic Development and Tourism Senate Committee on Water and Land

Aloha Chairs, Vice Chairs, and Members of the Committees,

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 HB504 HD2, a measure that would invite visitors to contribute to the resilience and safety of Hawai'i 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.

While we support HB504 HD2, we recommend the inclusion of two important components that will make the this measure as effective as possible in the long-term:



travel2change

1. **Stewardship Commission:** The inclusion of a stewardship commission made up of experts across Hawai'i working in tourism, stewardship, cultural resources, and climate resilience can help inform the use of funds and projects to prioritize from their area of expertise.
2. **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 community grant program in HB504, and have included language from visitor stewardship fee measures below.**
 - The fund shall allocate grants to community groups and nonprofit organizations, by providing monies not exceeding fifty per cent of annual fee revenues pursuant to this section.

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 Pupukea-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 of The Nature Conservancy
Supporting HB 504 HD2, Relating to Environmental Stewardship
Committee on Economic Development and Tourism
Committee on Water and Land
March 18, 2025 at 1:00 pm
Conference Room 229 and via Videoconference**

Dear Chairs DeCoite and Inouye, Vice Chairs Wakai and Elefante, and Members of the Committee:

Mahalo for the opportunity to testify today. The Nature Conservancy (TNC) Hawai'i and Palmyra supports HB 504 HD2, which would amend the transient accommodations tax rate, require a \$20 transient accommodation tax to be levied per night for each furnishing of transient accommodations in exchange for points, miles, or other amounts provided through a membership, loyalty, or rewards program, and appropriate funds to DLNR for protection, management, and restoration of the State's natural resources.

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.

Unfortunately, as a community we have not committed the level investment needed to properly manage and conserve and build resilience in these resources. In a recent report on the state of financing Hawai'i's natural resources, the Care for 'Āina Now Coalition found that Hawai'i has an annual conservation funding gap between \$561 million and \$1.69 billion per year. If we don't immediately address these needs, we will only find it harder to safeguard the treasured resources we all hold dear.

At the same, millions of visitors come to Hawai'i to experience our unique natural and cultural resources every year, which puts immense pressure on these already strained environments. An environmental stewardship fee would establish a reciprocal relationship between visitors and the environment, ensuring that Hawai'i remains a paradise by maintaining the integrity of its ecosystems. Recent polling funded by the Nature Conservancy and the Trust for Public Land shows that 76% of visitors (and 85% of repeat visitors) are willing to pay an annual visitor

BOARD OF TRUSTEES

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fee to protect and restore land, water, wildlife and cultural resources, including 25% that stated they would be more likely to visit if such structures were in place.

HB 504 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 adjusting the Transient Accommodations Tax, closing loopholes, and committing funds directly to mālama 'āina, HB504 HD2 makes the long-term, sustained investment we so desperately need. We urge the Committee to support this important measure.

Mahalo for the opportunity to testify in support of HB 504 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.



Hawaii Cattlemen's Council, Inc.

LATE

COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

Senator Lynn DeCoite, Chair
Senator Glenn Wakai, Vice Chair

COMMITTEE ON WATER AND LAND

Senator Lorraine R. Inouye, Chair
Senator Brandon J.C. Elefante, Vice Chair

HB504 HD2

RELATING TO ENVIRONMENTAL STEWARDSHIP

Tuesday, March 18, 2025, 1:00PM
Conference Room 229 & Videoconference

Chairs DeCoite and Inouye, Vice Chairs Wakai and Elefante, and members of the committees,

The Hawaii Cattlemen's Council **supports HB504 HD2** which amends the transient accommodations tax rate

Environmental stewardship is paramount to the success of our community but it is underfunded. However, well-managed rangelands and cattle production is an industry that stewards that land as well and produces food and contributes to the economy. We agree that more funding is needed for natural resource management, and the transient accommodations tax is one way to fund these initiatives. Additionally, since ranchers are already doing the invasive species management, soil health improvement, and food production on the state lands they are leasing, they should be supported to continue their agricultural operations so that the tax income can be used on other parcels of land that are not yet being managed in this way.

We respectfully suggest the following amendments to recognize the benefit that ranchers provide towards this goal of improving environmental stewardship:

1. Add to page 2, line 12: " Pasture leases are managed by ranchers to contribute to food security, economic resilience, soil health, and other ecosystem services. This beneficial land use meets the needs that this transient tax attempts to fund. The legislature believes that these leases should be supported for continued agricultural land stewardship under the management of the Department of Agriculture."
2. Add to page 6, line 20: "(g) Agricultural leases under the Department of Land and Natural Resources shall be transferred to the Department of Agriculture for the continued use of agriculture and land stewardship."



We appreciate the opportunity to testify on this measure. The Hawaii Cattlemen's Council (HCC) is the Statewide umbrella organization comprised of the four county-level Cattlemen's Associations. Our member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of over 750 thousand acres of land in Hawaii, or 20% of the State's total land mass. We represent the interests of Hawaii's cattle producers.

Nicole Galase
Hawaii Cattlemen's Council
Managing Director

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: HB 504 HD 2

INTRODUCED BY: House Committee on Finance

EXECUTIVE SUMMARY: Amends the transient accommodations tax rate. Requires a \$20 transient accommodation tax to be levied per night for each furnishing of transient accommodations in exchange for points, miles, or other amounts provided through a membership, loyalty, or rewards program. Appropriates funds to DLNR for protection, management, and restoration of the State's natural resources.

SYNOPSIS: Amends section 237D-2, HRS, to change the default TAT rate from 9.25% to __%.

Changes the TAT rate for the period 1/1/2018 to 12/31/2030 from 10.25% to __%.

Provides that for the period 1/1/2018 to 12/31/2030, __% of TAT revenues are to be deposited into the mass transit special fund (section 248-2.7, HRS).

Adds a tax of \$20 per night on each furnishing of a transient accommodation in exchange for points, miles, or other amounts provided through a membership, loyalty, or rewards program. Clarifies that if the guest also makes a copayment for the lodging, the TAT applies to that copayment.

Adds a new section to chapter 39, HRS, to create a reimbursable general obligation bond debt service special fund.

EFFECTIVE DATE: July 1, 3000.

STAFF COMMENTS: The bill includes unspecified tax and surcharge rates. The bill cannot be scored for revenue gain/loss in its current form, and cannot be vetted properly unless numbers are inserted. We assume from the preamble of the bill that a TAT increase is intended.

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.

Re: HB 504 HD 2

Page 2

We also question the need for the reimbursable general obligation bond debt service special fund. Under the criteria for special funds in HRS section 37-52.3, special funds should be self-sustaining, and this special fund has no visible means of support.

Digested: 3/15/2025



RESOURCES LEGACY FUND®
CREATIVE SOLUTIONS. LASTING RESULTS.

DATE: March 18, 2025

Re: Strong Support for HB504, HD2, Relating to Environmental Stewardship

Aloha Chairs DeCoite & Inouye, Vice Chairs Wakai & Elefante, and esteemed committee members,

On behalf of Resources Legacy Fund, I am writing to express our strong support for HB504, HD2. This bill increases and amends the transient accommodations tax (TAT) to provide dedicated funding for the protection, management, and restoration of Hawai'i's natural resources. It also establishes the Reimbursable General Obligation Bond Debt Service Special Fund.

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.

HB504, HD2, provides a much needed, dedicated and durable funding mechanism by channeling TAT revenue directly to the Department of Land and Natural Resources (DLNR). This funding will 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 new funding must also be made available to community and conservation organizations that partner with government to care for Hawai'i's lands and waters. The Care for 'Aina Now coalition, which RLF participates in, urges that 25-50 percent of the funding be available through grants to community and conservation organizations.

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, HB504, 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. Please call on us to assist in development of the final language for this measure. Thank you for the opportunity to testify.

March 17, 2025

Senator Lynn DeCoite and Senator Lorraine Inouye
415 South Beretania Street
State Capitol
Conference Room 229
Honolulu, HI 96813

Re: HB 504 HD2, relating to environmental stewardship

Dear Chair DeCoite, Chair Inouye, Vice Chair Wakai, Vice Chair Elefante, members of the Senate Committee on Economic Development and Tourism, and members of the Senate Committee on Water and Land,

On behalf of Expedia Group (“Expedia”), a family of brands that includes Expedia.com, Hotels.com, and short-term rental leader Vrbo, thank you for the opportunity to share comments on HB 504 HD2 and for your efforts to protect and invest in Hawai‘i’s natural resources.

We are supportive of HB 504 HD2’s proposed investments in Hawai‘i’s natural resources and do not object to the proposed percentage increase for the transient accommodations tax (TAT). However, there are significant operational concerns relative to the proposed new tax for the use of points, miles, or rewards to book accommodations in Section 2 of the bill amending HRS Section 237D-2, created in a new subsection (f).

A tax that is imposed based on the form of payment used by the traveler is not seen in any jurisdiction globally. It would take an extended period and significant investment to create tax calculation and collection systems for this novel proposal, not just for Expedia but across the industry.

This legislation would be stronger and clearer with Section 2, Subsection (f) removed—similar to the transient accommodations tax (TAT) increase that the Senate passed in SB 1396 SD3.

We understand that the Legislature may be interested in ensuring that using points, miles, or loyalty rewards to book accommodations does not reduce TAT revenue. We would in that case respectfully recommend amending Subsection (f) to clarify this without imposing a \$20/night tax.



If, as proposed in the introduced legislation, the Legislature wishes to impose a new \$20 per night tax for transactions if the TAT is reduced by the use of points, miles, or loyalty rewards, please see a potential amendment with added text represented in **bolded red** below.

(f) Beginning on January 1, 2027, **if the amount of transient accommodations tax derived from furnishing or arranging a transient accommodation pursuant to subsection (a) is reduced by the application of points, miles, or other amounts provided through a membership loyalty, or rewards program,** there is levied and shall be assessed and collected each month a tax of \$20 per night on each furnishing of a transient accommodation in exchange for **such** points, miles, or other amounts provided through a membership, loyalty, or rewards program...

Again, thank you very much for your commitment to investing in Hawai'i's natural resources. We welcome the opportunity to discuss these issues with you further.

Please do not hesitate to contact me if there is any additional information we can provide.

Thank you,

Mackenzie Chase
Regional Manager, Hawai'i
Expedia Group





LATE



March 17, 2025

The Honorable Senator Lynn DeCoite
Chair, The Hawaii State Senate Committee on Economic Development and Tourism

And;

The Honorable Senator Lorraine Inouye
Chair, The Hawaii State Senate Committee on Water and Land

Subject: Comments / Offering Suggested Amendments to HB504 HD2

Aloha Chair DeCoite, Chair Inouye, and Honorable Members of the Senate committees on Economic Development and Tourism & Water and Land,

Thank you for the opportunity to provide our joint testimony on behalf of the Hawaii Hotel Alliance (HHA) and the American Hotel & Lodging Association (AHLA) regarding HB504 HD2. We respectfully urge your consideration of our suggested amendments relating to this proposed legislation, which are attached herewith.

First and foremost, as an industry we remain committed to the protection of our natural resources, we promote best practices in climate mitigation across our properties, and have encouraged and supported State guided efforts to develop comprehensive climate resiliency best practices and measures. The work that our hotels engage in on this front include shoreline replenishment and renourishment projects, active management of critically endangered habitats, restoration of our watersheds, invasive species abatement, environmental educational programs for kama'aina and guests alike, native species protection and reforestation, ocean safety and awareness programs, coral reef replanting and resilience, and direct investment in site specific environmental standards, to name just a few. For a generation, Hawaii's hotels have been at the forefront of developing and deploying 'aina based regenerative tourism that puts people and place at the focus of our work.

Our proposed amendments to this measure reflect our support for the equitable application of the intent of the transient accommodation tax and address the economic realities our industry is facing.

1: Amend the preamble to include language relating to the full and equitable application of the TAT.

Section 1, page 2, between lines 12 & 13, add the following language:

"The Legislature further finds that as contemplated, the transient accommodations tax is intended to be applied fully and equitably wherever a transient accommodation occurs within the state. Whereas our hotel and lodging establishments have complied with and pay their due share of transient accommodations taxes, tax collections on short-term rental operators have fallen short. Furthermore,

there is currently no transient accommodations tax levied on commercial passenger vessels, which in 2024 accounted for 972,820 passenger port calls at port facilities under the jurisdiction of the Hawaii State Department of Transportation.”

2: Amend the definition of “Transient Accommodations” to include accommodations on commercial passenger vessels:

Amend Section 237D-1, Hawaii revised Statutes, relating to the definition of “Transient Accommodations” to read as follows:

Section 237D-1 Definitions.

“Transient accommodations” means the furnishing of a room, apartment, suite, single family dwelling, shelter, cabin, stateroom, or the like to a transient for less than one hundred eighty consecutive days for each letting in a hotel, apartment hotel, motel, condominium or unit as defined in chapter 514B, cooperative apartment, vehicle equipped with or advertised as including sleeping accommodations, dwelling unit, or rooming house that provides living quarters, sleeping, or housekeeping accommodations, commercial passenger vessel, or other place in which lodgings are regularly furnished to transients.

3: Delete the entirety of the proposed language under Section 237D-2 (f), located on Page 6, lines 10-20, which effectively creates a double tax on points or miles redemption travel.

As written, this section creates a double tax on travel booked with points or miles. Points and miles travel are already paying any accrued TAT based on a room rate formula agreed upon by the points or miles program provider, the hotel operator, and hotel ownership. Like any other stay at a hotel in Hawaii, TAT is due and paid based on the rate at which the points or miles were redeemed for the subject room. Because the TAT (and General Excise Tax) are already paid on these bookings, this fee for utilizing points or miles programs is unnecessary and would constitute a double tax. Accordingly, we urge the Chairs to delete this language in its entirety. That notwithstanding, the concept of capturing transient accommodation activities that *should* be paying into the TAT but are not currently paying the TAT is worth including in this legislation.

4: Add a new Section under 237D-2 to apply a \$20 tax levied per passenger per port entry on any commercial passenger vessel at any port facility under the jurisdiction of the Hawaii Department of Transportation.

Amend Section 237D-2 by adding the following new section:

(f) Beginning on January 1, 2027, there is levied and shall be assessed and collected each month a tax of \$20 per passenger per port entry on any commercial passenger vessel at any port facility under the jurisdiction of the Hawaii Department of Transportation. Per passenger taxes under this section are charged on a per voyage or per itinerary basis and will not be charged more than once per port entry if a vessel uses a state commercial harbor property or facility more than once on a single voyage or itinerary. Transient accommodations taxed under this subsection are not subject to levy, assessment, and collection pursuant to subsection (a).”

Commercial passenger vessels have recovered to pre-pandemic passenger counts, yet heretofore commercial passenger vessels have not contributed to the transient accommodations tax. Cabins,

staterooms, and sleeping accommodations aboard commercial passenger vessels are clearly transient accommodations, and we urge the Chairs to amend the HRS to clarify the definition of transient accommodations to reflect this intent and to levy a \$20 tax per passenger per port call at any port facility under the jurisdiction of the Hawaii Department of Transportation.

The State of Hawaii's Visitor Industry is Uncertain

Hawaii's hotel and lodging community recognizes the importance of contributing to the state's revenue. Our members diligently collect and remit the TAT and General Excise Tax (GET) that are due to the state and counties. However, we are deeply concerned with the current state of the economy and our industry's competitiveness against other markets competing for our guests. Hawaii already holds the distinction of having the highest tourism tax in the world, as recently highlighted in the January 25, 2025, article "Highest Tourist Tax in the World" published by Travel + Leisure

(<https://www.travelandleisure.com/honolulu-hawaii-highest-tourism-tax-in-the-world-8763376>)

This fact resonates with potential visitors and meeting planners, who are increasingly considering alternative destinations with more favorable tax structures and competitive pricing, like Florida, Bali, South Korea, Mexico, and the Caribbean.

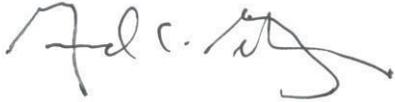
Our hotels compete against global markets that offer similar destination experiences at a fraction of the cost. We are particularly concerned about the impact on key markets like Japan. DBEDT data indicates that Japanese visitor arrivals remain significantly below 2019 levels, with feedback consistently citing Hawaii's high cost as a deterrent.

Just last week, the nation's three largest airlines lowered their projections for the year while Southwest announced they will begin charging for checked bags. This will make trips to Hawaii more expensive, further exacerbating the reality that hotel booking pace for the balance of 2025 remains depressed. President Trump's on-again off-again trade war has caused a sharp market decline and created what CNN described as an environment of "extreme fear" as investors and average Americans are left in a state of economic uncertainty. Making a bad situation worse, these trade wars have triggered foreign guest cancellations from key markets, like Canada, across the state. Additionally, fluctuating federal employment policies are impacting government bookings, which are essential for maintaining employment. At some hotels, government bookings on O'ahu are down more than 50% since January.

While hotel room rates have adjusted to reflect the rising costs of property taxes, wages, and general inflation, our profit margins are being squeezed. Our members are committed to providing competitive wages, contributing as major taxpayers, and investing in our communities. However, as we have invested more than ever before in Hawaii, growing numbers of short-term rental operators continue to evade regulation and taxation. As evidenced by recent discussions with the City and County of Honolulu, the County of Maui, and with DBEDT, there is a substantial gap between the number of known legal short-term vacation rentals and the estimated number of units operating throughout the state. This discrepancy suggests that the state and counties are missing out on substantial TAT and GET revenue. We urge the legislature to prioritize the fair and equitable collection of TAT and GET from these non-payers as one way of funding our climate mitigation efforts.

As you navigate the need to resource our State's climate resiliency efforts, we urge your consideration of the State of our industry and the suggested amendments we have offered to HB504 HD2. On behalf of our more than 160 collective member properties and their 110,000 employees throughout Hawaii, we thank you for your time and leadership.

Mahalo,



Hawaii Hotel Alliance (HHA)
Gerard C. Gibson President



American Hotel & Lodging Association (AHLA)
Keko McClellan, Spokesperson AHLA Hawaii

Hawaii Hotel Alliance Board Members:

Jeff Wagoner, Secretary, HHA, President & CEO Outrigger Hospitality Group

Debi Bishop, Treasurer, HHA, Managing Director, Hilton Hawaiian Village Waikiki Beach Resort

Craig Anderson, VP of Operations, Mauna Kea Beach Hotel

Tom Calame, Marriott International

Elliott Mills, VP Hotel Operations, Disneyland Resort and Aulani

Ben Rafter, President & CEO, Springboard Hospitality

Linda Rodrigues, SVP of Marketing, Hilton Grand Vacations

Kelly Sanders, Group President, Highgate



HAWAI'I LODGING & TOURISM
ASSOCIATION

LATE

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

HB504 HD2: Relating to Environmental Stewardship
*Committee on Economic Development & Tourism
Committee on Water & Land
March 18, 2025*

Chairs DeCoite and Inouye, Vice Chairs Wakai and Elefante, and Members of the Committees:

On behalf of the Hawai'i Lodging & Tourism Association (HLTA), the oldest private sector tourism association in the state, we respectfully submit our **opposition** to HB504 HD2. As an industry, we strongly support environmental protection and sustainability and are committed to protecting our islands. Hawai'i's visitor industry depends on the health of our natural resources and the resilience of our communities, and investing in climate adaptation is necessary for long-term sustainability. However, this measure places an excessive and disproportionate burden on Hawai'i's visitor industry at a time when our sector is still recovering.

Hawai'i's TAT is already among the highest in the nation, making our state one of the most expensive travel destinations in the world. Increasing the TAT further, along with the proposed new \$20 per night tax on rooms purchased through loyalty programs, risks discouraging travel, reducing visitor spending, and making our destination less competitive. The reality is that even when guests use loyalty programs to book their stay, the hotel is still required to pay the TAT on those rooms. Imposing an additional per-night tax on these stays amounts to double taxation, unfairly penalizing hotels for honoring their reward programs and loyal customers.

That said, we have concerns regarding the financial impact on the hospitality industry, particularly given the ongoing slow recovery of travel, the continued lag in Japanese visitor arrivals, and economic challenges following recent natural disasters. Hawai'i's tourism industry has not yet fully rebounded, and the bill directs revenue toward environmental

initiatives with no enforceable guarantee that these funds will directly benefit the tourism sector. Past experience has shown that tax increases intended for specific purposes often end up diverted to the general fund, with little accountability on how the money is spent.

We have previously recommended that the Legislature explore alternative revenue sources that promote sustainability and fairness. Stronger enforcement of TAT collection on short-term rentals would increase revenues while leveling the playing field for all accommodation providers. Additionally, targeted visitor impact fees at heavily trafficked sites—similar to the Hanauma Bay Model—could generate significant revenue to maintain natural and cultural resources without overburdening hotels and resorts. If additional funding for environmental programs is truly necessary, these approaches would ensure that visitors directly contribute to resource preservation without placing the financial burden solely on the lodging sector.

For these reasons, we strongly urge the Committees to reject this measure in its current form. We remain committed to working collaboratively with policymakers to find balanced and sustainable solutions that do not unfairly target an industry that is already carrying a significant economic load.

Mahalo for your time and consideration.



LATE



March 17, 2025

The Honorable Senator Lynn DeCoite
Chair, The Hawaii State Senate Committee on Economic Development and Tourism

And;

The Honorable Senator Lorraine Inouye
Chair, The Hawaii State Senate Committee on Water and Land

Subject: Comments / Offering Suggested Amendments to HB504 HD2

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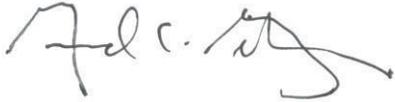
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Just last week, the nation's three largest airlines lowered their projections for the year while Southwest announced they will begin charging for checked bags. This will make trips to Hawaii more expensive, further exacerbating the reality that hotel booking pace for the balance of 2025 remains depressed. President Trump's on-again off-again trade war has caused a sharp market decline and created what CNN described as an environment of "extreme fear" as investors and average Americans are left in a state of economic uncertainty. Making a bad situation worse, these trade wars have triggered foreign guest cancellations from key markets, like Canada, across the state. Additionally, fluctuating federal employment policies are impacting government bookings, which are essential for maintaining employment. At some hotels, government bookings on O'ahu are down more than 50% since January.

While hotel room rates have adjusted to reflect the rising costs of property taxes, wages, and general inflation, our profit margins are being squeezed. Our members are committed to providing competitive wages, contributing as major taxpayers, and investing in our communities. However, as we have invested more than ever before in Hawaii, growing numbers of short-term rental operators continue to evade regulation and taxation. As evidenced by recent discussions with the City and County of Honolulu, the County of Maui, and with DBEDT, there is a substantial gap between the number of known legal short-term vacation rentals and the estimated number of units operating throughout the state. This discrepancy suggests that the state and counties are missing out on substantial TAT and GET revenue. We urge the legislature to prioritize the fair and equitable collection of TAT and GET from these non-payers as one way of funding our climate mitigation efforts.

As you navigate the need to resource our State's climate resiliency efforts, we urge your consideration of the State of our industry and the suggested amendments we have offered to HB504 HD2. On behalf of our more than 160 collective member properties and their 110,000 employees throughout Hawaii, we thank you for your time and leadership.

Mahalo,



Hawaii Hotel Alliance (HHA)
Gerard C. Gibson President



American Hotel & Lodging Association (AHLA)
Keko McClellan, Spokesperson AHLA Hawaii

Hawaii Hotel Alliance Board Members:

Jeff Wagoner, Secretary, HHA, President & CEO Outrigger Hospitality Group

Debi Bishop, Treasurer, HHA, Managing Director, Hilton Hawaiian Village Waikiki Beach Resort

Craig Anderson, VP of Operations, Mauna Kea Beach Hotel

Tom Calame, Marriott International

Elliott Mills, VP Hotel Operations, Disneyland Resort and Aulani

Ben Rafter, President & CEO, Springboard Hospitality

Linda Rodrigues, SVP of Marketing, Hilton Grand Vacations

Kelly Sanders, Group President, Highgate



Maui Hotel & Lodging
ASSOCIATION

COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

Senator Lynn DeCoite, Chair
Senator Glenn Wakai, Vice Chair

COMMITTEE ON WATER AND LAND

Senator Lorraine R. Inouye, Chair
Senator Brandon J.C. Elefante, Vice Chair

March 17th, 2025

Testimony is **Strong Opposition** to HB504 SD2

Aloha Chairs Decoite, Inouye- Vice Chairs Wakai, Elefante and Committee members,

I am writing on behalf of the Maui Hotel and Lodging Association to express our **strong opposition** to HB504 HD2, which proposes an increase in the Transient Accommodations Tax (TAT). While we fully recognize the urgent need to address environmental stewardship, 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 HB504 SD2 be revisited with an eye toward balancing necessary environmental efforts with the realities facing our local economy.

Mahalo,

John Pele

Executive Director-Maui Hotel and Lodging Association



March 15, 2025

Senator Lynn DeCoite, Chair
Senator Glenn Wakai, Vice Chair
Committee on Economic Development and Tourism
Senator Lorraine Inouye, Chair
Senator Brandon Elefante, Vice Chair
Committee on Water and Land
Senate
Hawaii State Legislature

Opposition to HB 504 HD2

Dear Chair DeCoite, Chair Inouye, Vice Chair Wakai, Vice Chair Elefante and Members of the Committees on Economic Development and Tourism and Water and Land,

Thank you for the opportunity to provide our testimony in opposition to HB 504 HD2.

Until the State of Hawaii and all four counties have shown that they are fairly and equitably collecting the full amount of 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 consistently oppose any increases.

The KCRA conducts an economic and community impact report every two years. Through our attached 2024 report (based on 2023 data), we showed that the hotels and timeshares on the Kohala Coast paid the vast majority of the TAT collected from our island – more than \$75.7M. 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 to collect the taxes that are owed, has been delving into the impact of unpaid TAT in Hawaii. They have provided proposals to the State Department of Taxation, the City and County of Honolulu, and recently provided a report to Hawaii County leaders. They showed there were 8,700 unique short-term vacation rentals operating on our island as of November 2024, with an average daily rate of \$347/night. With an average occupancy of 50%, based on DBEDT's vacation rental reports, if the TAT were equitably 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. **The math just doesn't add up.**

Bill 504 HD2 would also require that a \$20 fee for TAT be levied on accommodations provided in exchange for points, miles, or other accounts through a loyalty program. This section specifically targets the users of hotels, and does not take into account the significant impact of visitors staying in other types of accommodations.

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](#). It's important that lawmakers understand that Hawaii's high visitor taxes aren't just being discussed by policymakers and the visitor industry, but the visitors themselves, especially corporate meeting planners, are using our tax structures as justification to take their business to other destinations like Florida, the Caribbean and Mexico.

Before the Legislature moves forward with any increases that could negatively impact the economic driver of our state, it needs to make sure that all state agencies charged with collecting taxes and visitor fees are doing so to their full capacity.

And further, the State of Hawaii needs to show visitors that the taxes they currently pay (TAT, GET, rental car fees, airport landing fees, ocean tourism fees, parking fees at parks like Hapuna Beach State Park) are being collected fairly, and used to address visitor impacts. With the vast majority of tax collections going into the state's general fund, there is no clear nexus.

On behalf our 5,500 employees and their 17,500 family members, we thank you for the opportunity to provide our comments in opposition to HB504 HD2.

Sincerely,



Stephanie Donoho, Administrative Director

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



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 halaus, 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

Testimony in opposition of HB 504 HD2

Aloha Chair and Members of the Committee,

I'm writing in strong opposition of HB 504. This bill proposes to impose a \$20 nightly fee on stays that are paid for in loyalty points. However, these reservations already run a rate on the back end in the hotel systems and already incur TAT taxes. The loyalty programs pay the tax on the amounts that it reimburses to the hotels when someone pays with points in Hawaii.

In addition to creating a double taxation on these reservations, this bill also disproportionately impacts hotels compared to STRs. It also disproportionately impacts brands with powerful loyalty programs.

Additionally, while I fully recognize the urgent need to address environmental stewardship, I 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.

I respectfully ask that HB504 be revisited with an eye toward balancing necessary environmental efforts with the realities facing our local economy.

Mahalo,

Josh Hargrove

General Manager – The Westin Maui Resort & Spa

Chairman – The Maui Hotel & Lodging Association

March 17, 2025

Senator Lynn DeCoite, Chair EDT
Senator Lorraine Inouye, Chair WTL
Members of the Joint Committee on Economic Development and Tourism and Water and Land
Hawaii State Senate
415 S. Beretania Street
Honolulu, Hawaii 96813

Re: Comments on HB 504- Relating to Environmental Stewardship

Aloha Chair DeCoite, Chair Inouye, and Members of the Committees,

As a hotel management and franchise company with 39 properties across Hawaii, Marriott International is grateful for the opportunity to provide comments in response to House Bill 504 (HB 504).

Marriott International strongly urges the Chairs to delete the proposed language for Section 237D-2 (f), which proposes a \$20 nightly fee for transient accommodations paid for using points, miles, or other rewards from loyalty programs. While we understand the intent to generate revenue for environmental stewardship projects, we believe this provision is fundamentally flawed for several reasons.

First, our current tax system already captures revenue from hotel stays, including those paid for with loyalty points. Introducing an additional \$20 nightly fee as proposed in this measure would tax the same transaction multiple times. Loyalty points are earned through past spending, which has already been subject to sales and occupancy taxes. In Hawaii, the reimbursement amounts that hotels receive when guests use points are also subject to General Excise Tax (GET) and Transient Accommodations Tax (TAT). The new fee proposed under HB 504 effectively amounts to triple taxation on stays paid for with loyalty points.

This fee disproportionately targets travelers who have shown loyalty to hotel brands, effectively penalizing them for participating in these programs. It will also disproportionately impact hotels compared to short-term rental operators, as most major rental platforms do not operate traditional loyalty programs. In doing so, the fee disrupts the competitive landscape between traditional lodging and the short-term rental industry.

Hotels rely heavily on loyalty programs to attract and retain customers. This fee will undermine the effectiveness of these programs, potentially leading to decreased occupancy rates and revenue for hotels. A new fee like this, which arbitrarily targets one specific type of hotel stay, will understandably be perceived as unfair and will deter tourists and business travelers from visiting the region. This could lead to a decrease in overall tourism revenue, impacting local businesses and jobs.

We appreciate this opportunity to share our concerns and communicate our request for amendments to HB 504.

Mahalo nui loa,



Jon Kimball
Market Vice President – Hawaii
Marriott International

The Honorable Lynn DeCoite, Chair and
Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and
Members of the Committee on Water and Land

State Senate
State of Hawaii
415 S. Beretania Street, Rm. #229
Honolulu, HI 96813

March 18, 2025

Dear Chairs,

RE: OPPOSITION TO HB504 HD2,
RELATING TO ENVIRONMENTAL STEWARDSHIP

Mahalo for the opportunity to submit testimony on **HB 504 HD2**, which proposes an increase in Transient Accommodations Taxes (TAT) at a time when Maui's economy remains in a fragile state following the devastating August 2023 wildfires. **Maui Vacation Rental Association (MVRA) strongly opposes this measure** due to its potential to destabilize Maui's already struggling tourism economy, further burdening local businesses, and creating unintended consequences for residents who rely on tourism revenue.

1. Maui's Tourism Recovery is Far from Certain

- The tragic wildfires in Lahaina displaced thousands of residents and resulted in a dramatic downturn in visitor arrivals, with tourism numbers still lagging far behind pre-fire levels.
- A TAT increase will further suppress visitor demand at a time when businesses, workers, and property owners are struggling to recover. The short-term rental industry is made up of Maui residents who depend on this income to pay mortgages, bills, and cover the increasing costs of living.
- Unlike hotels, vacation rentals directly support local businesses, from cleaning services to restaurants, grocery stores, and activity providers. A decline in vacation rental occupancy means fewer dollars circulating in our local economy.

2. Increased Taxes Will Make Maui Less Competitive

- Hawaii already imposes the highest visitor tax burden in the country. Further increasing the TAT will make Maui even less competitive against alternative travel destinations like Mexico, the Caribbean, or other domestic locations with lower tax rates.
- Visitors are price-sensitive, and with rising airfare and accommodation costs, many may choose other destinations, reducing overall visitor spending and worsening our economic downturn.

- Maui is still experiencing lower than expected visitor demand, with some businesses reporting revenue drops of 30%–50%. Now is not the time to experiment with additional taxes that could further weaken our primary economic driver.

3. Potential Long-Term Financial Risk for the County and State

- HB 504 HD2 introduces new bond financing mechanisms, increasing long-term state debt obligations that may lead to future tax hikes if tourism revenue does not meet projections.
- Given the uncertainty surrounding visitor numbers, this measure places an unnecessary financial risk on both the state and county.
- Instead of increasing taxes, we urge a review of existing TAT allocations to ensure funds are being used efficiently and effectively before introducing new tax burdens on visitors.

4. Lack of Transparency and Oversight in TAT Fund Distribution

- Maui residents and businesses have long called for greater transparency in how TAT funds are allocated. Historically, a large portion of TAT revenue has not been reinvested into tourism-related infrastructure, environmental stewardship, or community support.
- Before imposing further tax hikes, the county and state should first conduct an audit of current TAT allocations to ensure existing funds are being used appropriately.

5. Maui Needs Smart, Sustainable Economic Solutions

- Maui's recovery depends on a balanced approach that supports both residents and the visitor industry.
- We urge the Committee to reject HB 504 HD2 and instead explore alternative funding mechanisms that do not jeopardize Maui's economic recovery.

Mahalo for your time and consideration.

Caitlin Miller
Executive Director
Maui Vacation Rental Association



OSTRA
O'AHU SHORT-TERM
RENTAL ALLIANCE

The Honorable Lynn DeCoite, Chair and
Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and
Members of the Committee on Water and Land

State Senate
State of Hawaii
415 S. Beretania Street, Rm. #229
Honolulu, HI 96813

March 18, 2025

Dear Chairs,

RE: OPPOSITION TO HB504 HD2,
RELATING TO ENVIRONMENTAL STEWARDSHIP

OSTRA represents rental property owners on Oahu. We oppose HB 504 HD2 due to its potential to destabilize Hawaii's tourism economy at a time of heightened global economic uncertainty.

1. Hawaii's Tourism Revenue is Already at Risk

- Tourism is highly sensitive to external economic pressures, including rising fuel costs, inflation, geopolitical instability, and potential trade tariffs that could drive up airfare and travel expenses.
- Hawaii is particularly vulnerable to airfare and fuel cost fluctuations, given our dependence on long-haul travel. Additional costs, including an undefined increase in the Transient Accommodations Tax (TAT) and a \$20/night charge on loyalty-based stays, could discourage visitors and threaten this crucial revenue stream.

2. Increased Taxes Now Could Deepen a Potential Downturn

- Hawaii already has one of the highest visitor tax burdens in the country. Raising the TAT further will make Hawaii less competitive compared to alternative destinations.
- With visitor spending showing signs of softening, this is not the time to test the resilience of our primary economic driver. Once visitors shift their preferences elsewhere, recovering lost market share could take years.

3. Bond Financing Creates Long-Term Fiscal Risk

- HB 504 HD2 establishes a Reimbursable General Obligation Bond Debt Service Special Fund, meaning the state is taking on new long-term debt that must be repaid with interest.
- If tourism revenues decline, the state may need to raise taxes elsewhere or redirect funds from critical services, amplifying economic instability.

4. Lack of Oversight in Fund Allocation

- Hawaii has a history of misallocating TAT revenues, with funds often diverted away from their intended purposes.
- Before imposing new and uncertain tax burdens, the state should audit existing TAT allocations and explore more fiscally responsible funding models for environmental stewardship.

Hawaii's economic stability depends on maintaining a competitive tourism industry while ensuring fiscal responsibility, particularly in light of significant federal funding costs. HB 504 HD2 introduces unnecessary financial risk at a precarious time, potentially reducing visitor demand and compromising long-term revenue.

We urge the Committee to reject HB 504 HD2 and pursue alternative funding mechanisms that do not jeopardize Hawaii's tourism economy.

Mahalo for your time and consideration.

Respectfully,,

Kelly Lee

Kelly Lee

President & Executive Director

O'ahu Short Term Rental Alliance (OSTRA)

The Honorable Lynn DeCoite, Chair and
Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and
Members of the Committee on Water and Land

State Senate
State of Hawaii
415 S. Beretania Street, Rm. #229
Honolulu, HI 96813

March 18, 2025

Dear Chairs,

RE: OPPOSITION TO HB504 HD2,
RELATING TO ENVIRONMENTAL STEWARDSHIP

HIMAST Alliance represents rental property owners across Hawaii. We oppose HB 504 HD2 due to its potential to destabilize Hawaii's tourism economy at a time of heightened global economic uncertainty.

1. **Hawaii's Tourism Revenue is Already at Risk**

- Tourism is highly sensitive to external economic pressures, including rising inflation, geopolitical instability, and potential trade tariffs that are already reducing travel demand.
- Given our dependence on long-haul travel, Hawaii is particularly vulnerable to airfare and fuel cost fluctuations. Additional costs, including an undefined Transient Accommodations Tax (TAT) increase and a \$20/night charge on loyalty-based stays, will discourage visitors and threaten this crucial revenue stream.

2. **Increased Taxes Now Will Deepen a Potential Downturn**

- Hawaii already has the highest visitor tax burden in the country, if not the world. Raising the TAT further will make Hawaii less competitive compared to alternative destinations.
- With visitor spending already showing signs of softening, along with federal funding cuts and signs of , this is not the time to test the resilience of our primary economic driver. Once visitors shift their preferences elsewhere, recovering lost market share could take years.

3. **Bond Financing Creates Long-Term Fiscal Risk**

- HB 504 HD2 establishes a Reimbursable General Obligation Bond Debt Service Special Fund, meaning the state is taking on new long-term debt that must be repaid with interest.



- If tourism revenues decline, the state may need to raise taxes elsewhere or redirect funds from critical services, amplifying economic instability.
- Climate mitigation should be a permanent budget item funded by a revenue model that spreads the cost across all taxpayers. The issue is not caused by tourism, nor should the solution rest solely on an uncertain—and currently declining—business segment. It deserves a more consistent and sustainable model.

4. Lack of Oversight in Fund Allocation

- Hawaii has a history of misallocating TAT revenues, with funds often diverted away from their intended purposes.
- Before imposing new and uncertain tax burdens, the state should audit existing TAT allocations and explore more fiscally responsible funding models for environmental stewardship.

Hawaii's economic stability depends on maintaining a competitive tourism industry while ensuring fiscal responsibility, particularly in light of significant federal funding cuts. HB 504 HD2 introduces unnecessary financial risk at a precarious time, potentially reducing visitor demand and compromising long-term revenue.

We urge the Committee to reject HB 504 HD2 and pursue alternative funding mechanisms that do not jeopardize Hawaii's tourism economy.

Mahalo for your time and consideration.

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

HB-504-HD-2

Submitted on: 3/15/2025 8:50:52 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

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

Comments:

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. We need Action Now; we need resources now - our 'āina can't wait another year



Care for 'Āina Now Coalition

March 18, 2025

Senate Committee on Economic Development & Tourism
Sen. Lynn DeCoite, Chair; Sen. Glenn Wakai, Vice Chair
Members of the Committee

Senate Committee on Water & Land
Sen. Lorraine Inouye, Chair; Sen. Brandon Elefante, Vice Chair
Members of the Committee

Re: The Imperative of Allocating Adequate Funding to Protect Natural Resources
Support HB504, HD2, Relating to Environmental Stewardship

Aloha kākou,

On behalf of our coalition's leadership committee, we are writing in strong support of HB504, 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.

The health of Hawai'i's environment is inextricably linked to the health of our people, communities, and future generations. Our natural and cultural resources provide over \$6 billion in value to our economy each year yet have been chronically neglected and stewardship of these resources have been underfunded for decades. It's been estimated that we currently face a conservation funding gap of \$560 million per year. Today, this underinvestment continues to be a liability and risk to public safety. The more time that passes without healing our environment, the more lives, places, and communities are at risk of being harmed.

Our primary focus is adequate, permanent funding for the Department of Land and Natural Resources and community organizations to support stewardship and restoration of our natural resources. There are simple ways our State can safeguard our 'āina and people this year, including passing legislation that ensures visitor taxes go back to our environment through the TAT, and allocating funds for wildfire prevention and ecosystem resilience. These will help Hawai'i chart a new course that can sustain us.

This coalition, which works on the frontlines of natural and cultural resource management across the State, applauds the legislature for continuing to consider these solutions. We urge you to consider the crucial need for sustainable, broad-based investment to meet the immense challenges our environment faces, offset the impact left by nearly 10 million annual visitors, and invest in the long-term health of our communities. Hawai'i's natural resources are invaluable to the livelihoods of our local residents and integral drivers of our statewide economy as well as our visitor industry.

Please support HB504, HD2.

**Hawai'i State Senate Committees on
Economic Development and Tourism & Water and Land**
HB504 – Relating to Environmental Stewardship

RE: Support of HB504

March 18, 2025

The Council for Native Hawaiian Advancement (CNHA) writes in **support of HB504** 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 HB504**.

Me ka ha'aha'a,

Madelyn McKeague
Director of Advocacy, CNHA



**Senate Committee on Economic Development and Tourism
Senate Committee on Water and Land
March 18, 2025 at 1:00 PM
Room 229**

Testimony in SUPPORT for HB504 HD2

Aloha Chair DeCoite, Chair Inouye, and members of the Committees:

The Hawaii Alliance of Nonprofit Organizations (HANO) **strongly supports HB504 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 HB504, 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 HB504.



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 HB 504 HD2

Senate Committee on Economic Development and Tourism
Senate Committee on Water and Land

Hearing Date: March 18, 2025 at 1:00 pm
Conference Room 229 & Via Videoconference

Aloha Chairs, Vice Chairs, and Members of the Committees,

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 HB504 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 year 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.

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.

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, 



**SENATE COMMITTEES ON ECONOMIC DEVELOPMENT AND TOURISM
and WATER AND LAND**

MARCH 18, 2025

HB 504, HD2, RELATING TO ENVIRONMENTAL STEWARDSHIP

POSITION: SUPPORT

Coalition Earth **supports** HB 504, HD2, relating to environmental stewardship, which amends the transient accommodations tax rate beginning on 1/1/2027; beginning 1/1/2027, requires a \$20 transient accommodation tax to be levied per night for each furnishing of transient accommodations in exchange for points, miles, or other amounts provided through a membership, loyalty, or rewards program; appropriates funds to DLNR for certain environmental stewardship projects; and establishes the Reimbursable General Obligation Bond Debt Service Special Fund.

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.

Sincerely,

Kris Coffield

Kris Coffield, Chairperson, Board of Directors

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](mailto:info@coalitionearth.org).

March 18, 2025, 1 p.m.
Hawaii State Capitol
Conference Room 229 and Videoconference

To: Senate Committee on Economic Development and Tourism

Sen. Lynn DeCoite, Chair
Sen. Glenn Wakai, Vice Chair

Senate Committee on Water and Land

Sen. Lorraine R. Inouye, Chair
Sen. Brandon J.C. Elefante, Vice Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

RE: TESTIMONY IN OPPOSITION TO HB504 HD2 — RELATING TO ENVIRONMENTAL STEWARDSHIP

Aloha Chairs, Vice-Chairs and other members of the committees,

The Grassroot Institute of Hawaii would like to offer its comments **in opposition** to [HB504 HD2](#), which would increase the current state transient accommodations tax rate by an undetermined amount, as well as levy a \$20 per night TAT on accommodations furnished via a membership, loyalty or rewards program in exchange for points, miles or other amount.

The use of blanks in lieu of amounts for this proposed tax hike makes it difficult to provide meaningful commentary on how HB504 might affect Hawaii's residents, economy or state revenues.

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.

Like many proposed tax increases, HB504 HD2 singles out a laudable purpose 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 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.

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.

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 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 the 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 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

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.

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



Testimony Before The
Senate Committee on Economic Development and Tourism (EDT)
Senate Committee on Water and Land (WTL)

IN SUPPORT OF HB504 HD2

March 18, 2025, 1:00 p.m., Room 229 & 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 HB504 HD2 with comments as a step towards 'āina momona.

This bill would amend the Transient Accommodations Tax (TAT) rate to require a \$20 tax to be levied per night for each furnishing of transient accommodations in exchange for points, miles, or other amounts provided through a membership, loyalty, or rewards program. The funds collected through this bill would help to offset some of the environmental and community wellbeing degradations caused by our historically overly-extractive tourism industry by infusing the state's Department of Land and Natural Resources (DLNR) with much-needed funds dedicated to the protection, management, and restoration of Hawai'i's natural resources. Although we appreciate HD2's amendments with specific project requirements, **we strongly encourage DLNR to ensure that at least a portion of any funds collected through this effort specifically support Native Hawaiian and local community-led partnerships for restoring, protecting, and caring for our environment.**

Our 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. Hawai'i's biocultural resources are also a part of the public trust, and must be

managed and protected for the benefit of current *and future* generations. It is no secret that the historical and existing models of tourism continue to negatively affect our home, causing overcrowding and strain on our water, food, and special places – making life much less enjoyable for residents, and at the ultimate expense of our fragile ecosystems with native plants and animals being the most vulnerable. With many other governments taking proactive steps to correct the underinvestment in their natural resources (Italy, Spain, New Zealand, Galapagos, Palau, etc.), it is time that Hawai'i – widely-known as one of the most exploited tourist destinations in the world – follows suit, to best protect our fragile environment which Native Hawaiians and kama'āina hope to continue stewarding for generations to come.

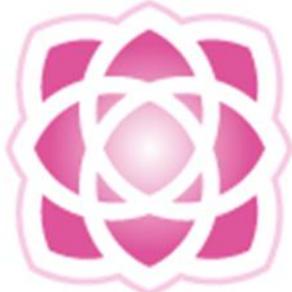
A recent survey on public support for the care of our biocultural resources found that 95% of Hawai'i voters believe that it is our kuleana to care for the ocean for future generations, and 82% support giving local communities a clear role in managing marine areas. Furthermore, 89% of those surveyed agree that we must increase our investment in our precious land, water, and animals, including our biocultural resources. We believe HB504 HD1 is a critical step to ensuring visitors are paying their fair share for the places they use, and the experiences and resources they enjoy during their time in our home.

This bill also uplifts and highlights the significant contributions of Hawai'i residents, especially those in rural and Native Hawaiian communities, beyond paying taxes for environmental care. 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 underfunded DLNR, is key to overcoming the many challenges of climate change. As such, **if this measure is passed, we strongly urge that a dedicated portion of funding specifically support and empower community-based individuals and groups as essential partners with governmental agencies in restoring, protecting, and caring for our shared biocultural resources.**

A primary function of KUA includes support for the development of an 'auwai, or a system of resources, tools, bridges, relationships, and networks that cultivate and elevate our communities' efforts to greater levels of collective impact in the care of our biocultural resources. A core catalyst for the flow in this 'auwai includes increasing the percentage of our economy, both public and private, which helps manage and regenerate the condition of the 'āina that sustains us. **Our young people today are calling for a rebalanced approach to living on our isolated and fragile island ecosystems that have for decades been subjected to an overly extractive economic approach to life – largely through tourism.** They want our government to rebalance this overuse and exploitation with better, thoughtful care for our 'āina that feeds us. They want an island culture that no longer takes for granted the environmental subsidies that allow us to thrive. Indeed, island communities that draw tourists from around the world are the canaries in the coal mine for being overrun with travelers and impacts by global climate change. Hawai'i must join this effort and be on the right side of history.

The communities we work with are committed to ensuring the long-term health of our biocultural resources. They have depended on them for generations. **Our environment, the foundation of our very existence, is about long-term investment and a vision of 'āina momona.** To get there requires taking the steps necessary for greater self-sufficiency, including development of innovative and sustainable career pathways, mindsets, relationships, and resource flows for mālama 'āina. Passing this bill out of your committee will open an essential 'auwai system toward reaching this vision. Mahalo nui loa for considering our testimony.

Aloha 'Āina Momona no nā kau ā kau.



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

LATE

**HEARING BEFORE THE SENATE COMMITTEES ON ECONOMIC DEVELOPMENT AND TOURISM
and
WATER AND LAND
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 229
Tuesday, March 18, 2025, 1:00 P.M.**

Senator Lynn DeCoite, Chair
Senator Glenn Wakai, Vice Chair
Members of the committee on Economic Development and Tourism
Senator Lorraine R. Inouye, Chair
Senator Brandon J.C. Elefante, Vice Chair
Members of the Committee on Water and Land

OPPOSE HB504 HD2 RELATING TO ENVIRONMENTAL STEWARDSHIP

The Maui Chamber of Commerce **OPPOSES HB504 HD2** which amends the transient accommodations tax rate; requires a \$20 transient accommodation tax to be levied per night for each furnishing of transient accommodations in exchange for points, miles, or other amounts provided through a membership, loyalty, or rewards program; has a place holder to raise the TAT; and appropriates funds to DLNR for protection, management, and restoration of the State's natural resources.

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.

While we appreciate the focus on economic development, we are deeply concerned about the impact this measure, particularly with its placeholder for a future TAT increase, will have on our visitor industry. Maui's visitor counts and spending remain low, and businesses are struggling. This proposed increase could further hinder our economic recovery, which is still below pre-pandemic levels and was severely impacted by the wildfires in August 2023.

For these reasons, we **OPPOSE HB504 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.

Officers, 2023-2024

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Emily T. Whittenburg
Nike, Inc.

Fredrick J. Nicely
Senior Tax Counsel
(202) 484-5213
fnicely@cost.org



March 18, 2025

Senate Economic Development and Technology Committee
Hawaii State Legislature

Re: COST's Concerns with the Transient Accommodations Tax in H.B. 504 HD2

Dear Chairs DeCoite and Inouye, Vice Chairs Wakai and Elefante, and Members of the Committee:

On behalf of the Council On State Taxation (COST), I am writing to express concerns with a \$20 per night fee that would be imposed on payments using a loyalty/reward program in Section 2 of H.B. 504. Our concern is that this alteration would require significant system changes as business' systems for taking in purchases of products, *i.e.*, transient accommodations in this bill, are often separate systems from their payment operations (*e.g.*, use of a loyalty/reward as a payment).

About COST

COST is a nonprofit trade association based in Washington, DC. COST was formed in 1969 as an advisory committee to the Council of State Chambers of Commerce and today has an independent membership of approximately 500 major corporations engaged in interstate and international business. COST's objective is to preserve and promote the equitable and nondiscriminatory state and local taxation of multijurisdictional business entities. Many COST members conduct operations in Hawaii that would be negatively impacted by this proposal.

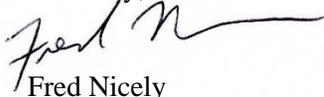
The \$20 per Night Fee Imposes Complex Administrative Burdens

The COST Board of Directors has adopted a formal policy statement on Fair, Efficient, and Customer-Focused Tax Administration.¹ The policy position states:

Administrable Taxes and Fees – Taxes and fees imposed by a state or locality, especially a new tax or fee, should have reasonable collection and remittance requirements and should minimize expenditures of resources for computer system changes or other administrative changes required to comply with the tax or fee. Adequate time should be provided to allow taxpayers to modify systems to comply with a new tax, fee, or other statutory change, and the government should compensate taxpayers for significant compliance costs associated with a new tax or fee (or for changes to an existing tax or fee).

The proposed \$20 per night fee is not reasonable because it will likely require extensive computer system changes to collect this new fee and it also lacks any compensation to businesses impacted by the fee to offset the cost of making system changes to implement the new fee. We have no problem with the second part of proposed §237D-2(f), which clarifies that any additional revenue received from a taxpayer subject to this tax from the use of a loyalty/reward program is subject to the tax. However, we respectfully request you to remove the \$20 per night fee in H.B. 504.

Sincerely,



Fred Nicely

cc: COST Board of Directors
Patrick J. Reynolds, COST President & Executive Director

¹ See COST Policy Statement: www.cost.org/globalassets/cost/state-tax-resources-pdf-pages/cost-policy-positions/fair-efficient-and-customer-focused-tax-administration---revised-feb-2024---final.pdf.

HB-504-HD-2

Submitted on: 3/17/2025 8:33:33 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|-------------------------|--|--------------------|------------------------|
| Alika Peleholani Garcia | Testifying for Kuleana Coral Restoration | Support | Written Testimony Only |

Comments:

Testimony in Support of HB504

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

My name is **Alika Peleholani Garcia**, and I am submitting written testimony in **strong support** of **HB504**, which proposes an increase in the **Transient Accommodations Tax (TAT)** to secure funding for **environmental stewardship and the protection of Hawai‘i’s biocultural resources**.

As the **Executive Director of Kuleana Coral Restoration**, I have dedicated my career to restoring Hawai‘i’s coral reefs and marine ecosystems. Through our work, we have seen firsthand the devastating impacts of climate change, pollution, and resource overuse on Hawai‘i’s reefs. Coral bleaching events are increasing in frequency and severity, threatening not only our marine biodiversity but also the food security, cultural practices, and economic stability that healthy reefs provide. Without urgent and sustained investment in restoration and protection efforts, we risk **losing the very ecosystems that sustain our islands**.

For too long, Hawai‘i has underinvested in its **natural infrastructure**, and we are seeing the consequences. **Coral bleaching, wildfires, floods, and brown water events** are no longer isolated incidents but recurring crises. These challenges directly impact both **our local communities and our visitor industry**, which depends on the health of our environment.

It is estimated that Hawai‘i needs at least **\$560 million annually** to properly care for our natural and cultural resources, yet we continue to fall short. **The time to act is now**. The **TAT provides a fair and existing mechanism** to ask visitors to contribute to the care of the environment they enjoy during their stay. A portion of these funds must be directed toward **reef conservation, restoration, and monitoring** to ensure that Hawai‘i’s marine ecosystems remain resilient in the face of climate change.

Additionally, **how** these funds are allocated is just as important as securing them. **Community-led solutions must be prioritized**. Local **nonprofits, cultural practitioners, and community organizations** are already leading the charge in **stewardship, restoration, and resource management**, despite limited funding. I strongly urge the committee to **incorporate a community grant program** within this measure, working in partnership with the **Department**

of Land & Natural Resources (DLNR) to ensure funding reaches the **grassroots level**—where it will have the **greatest impact**.

There is **overwhelming public support** for this initiative. A previous poll found that **88% of Hawai'i residents** support a **visitor green fee**. Additionally, a **January 2025 survey of visitors** found that **two-thirds support a \$50 visitor fee**, and **one-quarter** said it would **increase** their likelihood of visiting Hawai'i. Both residents and visitors **agree**—giving back to the places you visit isn't just reasonable, it's **necessary**.

This is the year for elected leaders to act. We **cannot** wait for another **mass bleaching event, flood, or wildfire** before taking decisive steps to protect our islands. **Investing in coral reef restoration, coastal resilience, and environmental stewardship is an investment in Hawai'i's future.**

I **urge** the committee to pass this bill and ensure that **Hawai'i's natural and cultural resources** receive the funding they desperately need.

Mahalo for the opportunity to testify and for your commitment to protecting Hawai'i's future.

HB-504-HD-2

Submitted on: 3/16/2025 7:51:17 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------|------------------------------------|--------------------|---------------------------|
| Devin Redmond | Testifying for Ribbon Rock Maui | Oppose | Written Testimony Only |

Comments:

The Honorable Lynn DeCoite
Chair and Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye
Chair and Members of the Committee on Water and Land

Hawaii State Legislature | State Senate
415 S. Beretania Street, Rm. #229

March 18, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Devin Redmond and I own a small business that relies on a healthy and sustainable tourism economy. I am submitting testimony in strong opposition to HB 504 HD2 because it threatens the economic foundation that supports my operations, my ability to pay local suppliers and vendors, and many others in our South Maui community.

Hawaii’s tourism industry is already facing challenges with rising airfare due to the Alaska/Hawaiian merger and SWA schedule reductions, global inflation, and economic uncertainty. Introducing yet another increase in the Transient Accommodations Tax (TAT) will make our islands even less attractive to visitors. We can’t take visitor demand for granted—many other destinations are competing for the same travelers. As costs rise, visitors will substitute other beach destinations in Mexico, California, and the Caribbean where the mai tais are terrible BUT taxes are substantially lower.

Imagine the headlines if you proceed to raise the TAT yet again, for what will be the fourth state level increase since 2000, on top of the 3% additional increase Maui introduced in 2021...

"Hawaii Raises Taxes on Tourists (Again)"
"Your Hawaii Vacation Just Got More Expensive (Again)"
"Today's Maui: More Taxes, Less Aloha"

Local Businesses and Workers Will Suffer

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 a small business owner, I rely on a steady flow of visitors. If this bill passes, I will see fewer bookings, which will force me to renegotiate contracts and raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii has a history of vague promises that tax increases will be temporary, and then conveniently forgetting to fulfill those promises. There is also a long history of the state and counties misusing TAT funds, diverting money from its intended purposes. Before raising taxes, the state should audit existing TAT funds to ensure they are being collected properly and used correctly instead of adding new financial burdens on visitors.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

It makes absolutely no sense to raise taxes on tourists and simultaneously pump money into tourism marketing campaigns in an effort to replace the very tourists you've discouraged from coming with higher taxes. You are just shoveling taxpayer money to advertising companies. What's the point? Figure out what you actually want for Hawaii's economy and deliver a viable plan to get there. If you want fewer (but wealthier) tourists, just say so and articulate a 5-10 year plan to get there while investing in other economic drivers. The current piecemeal/whiplash approach makes it impossible to run a viable business in Hawaii.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

Devin Redmond
Ribbon Rock Maui

HB-504-HD-2

Submitted on: 3/16/2025 2:32:55 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

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

Comments:

To the Honorable Members of the Senate Committee on Economic Development and Tourism and the Senate Committee on Water and Land,

We are writing to you as the owners of Honu Hawai'i Home LLC, a small business providing vacation rentals in Maui. Our company, like many others in this sector, is deeply concerned about the proposed HB 504 HD2. This bill, which aims to increase the Transient Accommodations Tax (TAT) by an uncertain amount and introduce a \$20/night fee on loyalty stays, presents significant threats to the health of Hawai'i's economy, which is already facing considerable challenges.

The introduction of such measures during a period of incredible global economic instability is not prudent policy as its passage will have the effect of increasing costs for visitors, thus leading to fewer visitors and reduction of the competitiveness of Hawai'i as a travel destination. These consequences will have a direct negative affect on many, many small businesses in this sector of the economy of Hawai'i, including ours. It is crucial to understand that over reduction of visitors will definitely translate into reduced spending in local businesses, thus increasing job losses and causing more economic decline in the fragile community.

We strongly urge you to consider the broader economic impact of this legislation and oppose HB 504 HD2. We must protect our local economy and ensure with reasonable and balanced policies that Hawai'i remains a vibrant, attractive, and accessible destination for all. HB 504 HD2 is not the right course of action to help small businesses and all the members of the local community whose livelihood is at stake in these already incredibly challenging time ms that we are all facing with unprecedented reductions in government funding.

Thank you for considering our testimony on this critical issue.

Respectfully submitted,

Sonny Cave & Stefanie Workman

Owners, Honu Hawai'i Home LLC

HB-504-HD-2

Submitted on: 3/15/2025 12:51:16 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|------------------------|---------------------------|------------------------|
| Debbie Bettencourt | Testifying for EGF LLC | Oppose | Written Testimony Only |

Comments:

The Honorable Lynn DeCoite, Chair and Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and Members of the Committee on Water and Land

Hawaii State Legislature

State Senate

415 S. Beretania Street, Rm. #229

March 16, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Debbie Bettencourt, and I own rental properties that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in strong opposition to HB 504 HD2 because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Hawaii’s tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an unclear increase in the Transient Accommodations Tax (TAT) will make our islands even less attractive to visitors. We can’t take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a rental operator, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce employee hours or raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

Debra Bettencourt, EGF LLC, Bettentel LLC & BBK Hawaii LLC

The Honorable Lynn DeCoite, Chair and Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and Members of the Committee on Water and Land

**Hawaii State Legislature
State Senate
415 S. Beretania Street, Rm. #229**

March 17, 2025



OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Marci Cortisse, and I am a resident of Maui. As a small business owner, my livelihood - and that of my employees and community - depends on a thriving yet sustainable tourism industry. I am writing in strong opposition to HB 504 HD2 because it places additional financial burdens on visitors at a time when our economy, small businesses, and local workers are already struggling.

This Bill Will Hurt Local Families and Businesses

Hawai'i's economy is still recovering from the lasting impacts of the pandemic, rising airfare, the Lahaina fire, and global financial uncertainty. Our visitors are already making tough choices, and adding a new \$20 per night charge on rewards-based stays—along with an unclear increase in the Transient Accommodations Tax (TAT)—will push many to choose other destinations. When visitors stop coming or cut back on spending, it's not just large hotels that suffer—our local restaurants, tour operators, shop owners, and workers who feel the most impact.

As a business owner, I am deeply concerned about what this means for my employees. If bookings decline, I may have to reduce hours or even let go of staff—people who rely on their jobs to support their families. These are real people, real families, and real livelihoods at stake.

A More Responsible Approach is Needed

We all want to protect Hawai'i's environment and ensure sustainable tourism, but simply raising taxes is not the solution. Time and again, we've seen TAT funds diverted from their intended purpose. Before adding new costs to visitors, we should ensure existing funds are properly managed and used as promised.

We need a balanced, thoughtful approach that protects both our natural resources and the livelihoods of local families. Making Hawai'i more expensive for visitors isn't the answer—it will only drive them away and hurt the very people this bill seeks to help.

I urge you to oppose HB 504 HD2 and instead work toward sustainable solutions that preserve our economy, our environment, and our communities.

Mahalo for your time and consideration.

Respectfully,
Marci Cortisse

Ali'i Resorts, LLC

HB-504-HD-2

Submitted on: 3/17/2025 3:26:41 PM

Testimony for EDT on 3/18/2025 1:00:00 PM



| Submitted By | Organization | Testifier Position | Testify |
|---------------------|--|---------------------------|------------------------|
| Gregg Nelson | Testifying for Napili Kai Beach Resort | Oppose | Written Testimony Only |

Comments:

Dear Chair DeCoite and members of the Committee on Economic Development and Tourism,

I am the general manager of a small resort on the westside of Maui representing approximately 170 staff members, all good citizens of the westside. I am writing you to express opposition to HB504 HD2. My resort is a small independant operation that has been in buiness here on Maui for 65 year and as such, we do not have any loyalty programs. However we believe in fairness.

I understand the purpose of this bill but feel a measure calling for a usage fee charged to those tourists using the sightseeing areas and parks that DLNR oversee would be more equitable and fair. Charging \$20 to each tourist room on one of these loyalty programs is casting the net too wide and its unfair. Focus the effort on those using the sightseeing areas and make certain the funds collected are directed to the intended purpose. Addressing the unregistered short-term vacation rentals on our island would be another means of collecting funds to help our parks and sight seeing areas.

Thank you for your consideration in voting no on this bill and thank you senator DeCoite for all you do for west Maui as we continue to recover.

Mahalo

Gregg Nelson

gm@napilikai.com

HB-504-HD-2

Submitted on: 3/15/2025 6:34:59 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|----------------|
| Cedar Kehoe | Individual | Oppose | In Person |

Comments:

March 15, 2025

AGAINST HB504

Testimony opposing HB 504 HD2 to the Senate Committee on Economic Development and Tourism /Senate Committee on Water and Land

1. a \$20 a night transient accommodation tax to be levied per night if money is not paid: **is wrong**. When are you going to realize your actions are killing it for us seniors who live on property and who want to travel or to share our home. 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 requires that DPP Director should be enforcing based on the 90-day minimum for property that do not have the owner living on site. She 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 people. The judge requires the majority to do 90 days rentals yet DPP continue to disregard their directive and enforce what they want.

We need DPP to do the work to enforce the 90-day rule as directed by the judge. Property owners who live on site should be allowed to do a vacation rental without collecting rent so they can travel someplace else. If I have to come up with the \$20 a night fee then my home exchange is not going to be honored as the home exchange booking sites all state that charging a “rent” is prohibited.

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 staff who can.

Stop increasing fees to tourist, your moving everybody off Hawai'i to other destinations.

Speaker:

1. residents who lives on property and is a senior and continues to be penalized by your newest laws and lack of DPP doing their job correctly.

Cedar Kehoe

68-003 Laau Paina Place

Waiialua, HI 96791

808 425 0523

HB-504-HD-2

Submitted on: 3/17/2025 8:50:17 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|----------------|
| Aaron Magee | Individual | Support | In Person |

Comments:

Aloha,

My name is Aaron Magee and I'm writing in strong support of HB504 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.

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.

Right now we have the opportunity to follow other already successful models of visitor fee programs and be an example of what is possible when the community works together to care for the ecosystems that keep us alive.

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.

Without additional funding, the nonprofit sector will continue to force workers to choose between doing well financially and doing good for the world. An unfortunate choice considering these causes often are referred to as what "really matters" in life.

To ensure this bill is truly effective, I recommend there be a plan to increase the fee over time, 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.

HB-504-HD-2

Submitted on: 3/14/2025 7:43:11 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|------------------------------|---------------------|---------------------------|---------------------------|
| Benton Kealii Pang, Ph.D. | Individual | Support | Written Testimony Only |

Comments:

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

My name is Benton Kealii Pang, PhD, and I am submitting written testimony in strong support of HB504 HD2, which seeks to increase the transient accommodations tax (TAT) and dedicate additional funding towards environmental stewardship and the care of our biocultural resources that sustain Hawai‘i. As a botanist with research interest in Hawaiian dry forest species and long-time resident of Pālolo Valley, I have spent over 35 years working on conservation and invasive species issues in Hawai‘i. I understand firsthand the dire need for increased investment in protecting and restoring our natural and cultural resources.

We are witnessing the consequences of underinvesting in our ‘āina. Coral bleaching, wildfires, floods, and brown water pollution are harming the places we cherish and the ecosystems that sustain our visitor industry. It is estimated that Hawai‘i needs at least \$560 million annually to effectively care for our natural and cultural resources. By asking visitors to contribute to the protection of the environment they enjoy during their stay, we ensure that tourism remains a sustainable industry that benefits both residents and the land.

The stewardship of Hawai‘i’s natural resources is critical to our resilience against climate disasters. Healthy watersheds reduce the risk of flooding, restored coral reefs contribute to food security, and overall environmental care supports the economic livelihoods of our communities. Nonprofit organizations and community groups have taken on this kuleana and are leading efforts in environmental stewardship. It is essential that any funding generated from visitors is directed toward community-based solutions that foster partnerships between local organizations and government agencies. I strongly recommend the inclusion of a community grant program in partnership with the Department of Land & Natural Resources to ensure these funds are effectively utilized.

There is overwhelming public support for this initiative. Previous polling showed that 88% of residents support a visitor green fee. In January 2025, visitor polling indicated that two-thirds of tourists support a \$50 visitor fee, with a quarter stating they would be more likely to visit Hawai‘i if such a fee were enacted. This demonstrates that both residents and visitors recognize the necessity of contributing to the preservation of Hawai‘i’s environment.

This is the year to act. The cost of inaction is too great—we cannot afford to experience another devastating fire, flood, or coral bleaching event without a plan in place. This measure represents a crucial step towards ensuring a future where Hawai‘i is protected, cared for, and thriving for our communities, economy, and future generations.

I urge this committee to pass an environmental stewardship fee this session to secure the long-term health of Hawai‘i’s natural and cultural resources.

Mahalo for the opportunity to testify,

Benton Kealii Pang, PhD

HB-504-HD-2

Submitted on: 3/14/2025 8:35:16 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Barbara Matias | Individual | Oppose | Written Testimony Only |

Comments:

The Honorable Lynn DeCoite, Chair and

Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and

Members of the Committee on Water and Land

Hawaii State Legislature

State Senate

415 S. Beretania Street, Rm. #229

March 18, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Barbara Matias and I own rental property that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in strong opposition to HB 504 HD2 because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Hawaii’s tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an unclear increase in the Transient Accommodations Tax (TAT) will make our islands even less attractive to visitors. We can’t take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a small rental operator, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce employee hours or raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

Barbara Matias

HB-504-HD-2

Submitted on: 3/14/2025 10:41:44 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Junior | Individual | Support | Written Testimony Only |

Comments:

Aloha,

We need to find creative ways to increase DLNR funding and a TAT increase is perfect. The \$20 per night fee is long overdue and should be able to escalate over time with ease. Please pass this bill post-haste.

HB-504-HD-2

Submitted on: 3/14/2025 11:33:10 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Smith Family Trust | Individual | Oppose | Written Testimony Only |

Comments:

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is [Your Name], and I am a resident of [Your Island or District]. I own a [small business / rental property] that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in strong opposition to HB 504 HD2 because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Hawaii’s tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an unclear increase in the Transient Accommodations Tax (TAT) will make our islands even less attractive to visitors. We can’t take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a [small business owner / rental operator], I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce employee hours or raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

[Your Name]

[Your Business Name (if applicable)]

HB-504-HD-2

Submitted on: 3/15/2025 12:16:47 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Kathi White | Individual | Oppose | Written Testimony Only |

Comments:

I oppose this bill as it is too regulatory and confusing. If you want more money, increase the STR tax.

HB-504-HD-2

Submitted on: 3/15/2025 12:37:59 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Christopher Lee | Individual | Oppose | Written Testimony Only |

Comments:

Testimony Summary on Proposed Tourism Tax and Bond Legislation

Hawaii’s tourism industry is a critical driver of the state’s economy, but increasing the tax burden on visitors threatens its competitiveness. Hawaii already has some of the highest visitor taxes in the U.S., and further increases—such as raising the Transient Accommodations Tax (TAT) and adding new fees—could push tourists toward more affordable destinations. This risks discouraging repeat visitors and reducing overall tourism revenue.

Additionally, Hawaii’s tourism sector is vulnerable to external economic pressures, including rising fuel costs, inflation, and geopolitical instability. Higher taxes at a time of economic uncertainty could further weaken the industry just as it is recovering from the pandemic.

The bill’s proposal to create a Reimbursable General Obligation Bond Debt Service Special Fund raises concerns about long-term financial stability. If tourism revenues fall short, the state could face fiscal strain, potentially leading to higher taxes or cuts to essential services. Small businesses, which rely heavily on visitor spending, would be particularly affected, facing job losses, reduced wages, and increased costs.

Furthermore, the bill lacks transparency in how newly collected funds would be allocated. Given Hawaii’s history of misallocated tourism-related tax revenues, there is no clear assurance that these funds will be effectively directed toward environmental stewardship. A full audit of existing TAT revenues should be conducted before imposing additional tax burdens.

Using bond financing as a long-term funding solution is also unsustainable. While bonds provide an initial influx of funds, they create future financial obligations, increasing the likelihood of further tax hikes that would strain both residents and the tourism industry.

Finally, Hawaii's tourism sector is already heavily regulated, and additional taxes and complexities could burden small property owners and businesses, making it harder for them to compete globally. Overregulation and excessive costs risk stifling the very industry that sustains much of the state's economy.

For these reasons, it is crucial to reconsider this bill's financial and economic implications before implementing policies that could undermine Hawaii's long-term tourism viability and economic health.

HB-504-HD-2

Submitted on: 3/15/2025 2:46:02 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Laurie Gray | Individual | Oppose | Written Testimony Only |

Comments:

Greetings of Aloha,

I am writing to respectfully ask that you oppose HB504. I oppose increasing costs for visitors in the form of an increased TAT, or per night fees on loyalty stays. As someone who relies on the tourist dollar for income, increasing either of these will discourage visitors to Maui. With federal tariffs, we're already seeing a decline in our Canadian visitors. Maui has not recovered from the Covid shutdown nor the Lahaina fires. Increasing taxes and fees is the opposite of laying out the Aloha welcome mat. I regularly read of guests who are choosing Mexico over Hawaii for the above reasons. It's already too expensive to visit Maui, don't make it more so.

With gratitude and Aloha,

Laurie Gray

HB-504-HD-2

Submitted on: 3/15/2025 2:56:21 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| John Hanes | Individual | Oppose | Written Testimony Only |

Comments:

The Honorable Lynn DeCoite, Chair and

Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and

Members of the Committee on Water and Land

Hawaii State Legislature

State Senate

415 S. Beretania Street, Rm. #229

March 18, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is John Hanes, I own a rental property that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in strong opposition to HB 504 HD2 because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Hawaii’s tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an unclear increase in the Transient Accommodations Tax (TAT) will make our islands even less attractive to visitors. We can’t take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Hawaii has so many benefits to visitors that other destinations do not share. We should be working to attract more visitors, and their dollars, than to turn them away because of increasingly high prices and the increasing perception that they are not wanted here.

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 a rental operator, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce employee hours or raise prices for customers.

I believe that passing this bill will not create more tax revenue, just the opposite, I believe it will kill off tourism and lower your revenues. You should not place the burden of supporting the government's needs on one source; tourism.

Along with the bill to kill off STR's all-together, you present to the tourists and the tourism industry that Hawaii is not a friendly and sustainable place to visit.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

John Hanes

HB-504-HD-2

Submitted on: 3/15/2025 3:33:35 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Rebecca Gro | Individual | Oppose | Written Testimony Only |

Comments:

I am strongly opposed to this bill. This bill will negatively impact tourism. We are already suffering from lack of tourist dollars and this will further reduce the amount of visitors who can afford to visit.

**The Honorable Lynn DeCoite, Chair and
Members of the Committee on Economic Development and Tourism**

**The Honorable Lorraine R. Inouye, Chair and
Members of the Committee on Water and Land**

Hawaii State Legislature

State Senate

415 S. Beretania Street, Rm. #229

March 18, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is **William Peacock**, and **I am a resident of Maui**. I own a **rental property** that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in **strong opposition to HB 504 HD2** because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Hawaii's tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. It's significantly cheaper for continental Americans to go to the Bahamas, or any of dozens of Caribbean Islands. Introducing a new \$20 per night charge on rewards-based stays and an **unclear increase in the Transient Accommodations Tax (TAT)** will make our islands even less attractive to visitors. We can't take visitor demand for granted—many other destinations are competing for the same travelers. We have already seen a significant drop in business income due to visitors choosing to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a **rental operator**, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce employee hours or raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

A handwritten signature in black ink, appearing to read "W. Frank Peacock". The signature is fluid and cursive, with a long horizontal stroke at the end.

W. Frank Peacock

HB-504-HD-2

Submitted on: 3/15/2025 4:48:26 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Dean Sandow | Individual | Oppose | Written Testimony Only |

Comments:

The Honorable Lynn DeCoite, Chair and

Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and

Members of the Committee on Water and Land

Hawai'i State Legislature

State Senate

415 S. Beretania Street, Rm. #229

March 18, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Dean Sandow. My wife and I own a rental property that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in strong opposition to HB 504

HD2 because it threatens the economic foundation that supports my family, my contractors on Maui, and many others in our Maui community.

Hawai‘i’s tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an unclear increase in the Transient Accommodations Tax (TAT) will make the islands even less attractive to visitors. We cannot take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

Tourism supports local businesses like restaurants, tours, transportation services, and retail shops. If fewer visitors come or if they spend less due to higher costs, local jobs and incomes are directly affected.

As a rental operator, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce use of contractors for such things as repairs, cleaning, and management or raise prices for guests, thereby driving away more tourism.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawai‘i has a history of misusing TAT funds and 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.

Hawai‘i’s economy relies on a balanced approach—we need to protect the environment without making the islands too expensive for visitors or unsustainable for local businesses. HB 504 HD2 threatens tourism at a time when Hawai‘i can least afford it.

I urge you to oppose this bill and focus on finding sustainable and responsible funding solutions that will not harm the economy.

Thank you for your time and consideration.

Respectfully,

Dean T. Sandow, Maui Kamaole G201

HB-504-HD-2

Submitted on: 3/15/2025 5:09:43 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

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

Comments:

Aloha

Another raise in taxes is wrong. Tourism is down, jobs are being lost, businesses continue to close, cost of Hawaii is out of line, Federal funds are being pulled by DOGE. The state needs to reign in it's expenses instead of continuing to try to extract money from tourist and locals to pay for a bloated and overpaid and benefited government.

Every family and business is trying to survive and control expenses, why are you not.

John Kevan

HB-504-HD-2

Submitted on: 3/15/2025 5:12:49 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| Mark Waite | Individual | Oppose | Written Testimony Only |

Comments:

Aloha Committee Chair and Members,

My name is Mark Waite and I am a resident of Maui. In addition to being a realtor, I own a rental property that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in **strong opposition to HB 504 HD2** because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Hawaii’s tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Since the Lahaina fires, Maui's economy has suffered across the board. Businesses have closed and residents have moved elsewhere simply because of a downturn in visitors. Canadian visitors account for 20% of Maui's visitor traffic, and that traffic has dried up due to the tariff war. And now we want to make it more expensive for visitors to come to Hawaii?

Introducing a new \$20 per night charge on rewards-based stays and an **unclear increase in the Transient Accommodations Tax (TAT)** will make our islands even less attractive to visitors. We can’t take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere. Because they have options, these visitors have already been going elsewhere for the same or less cost.

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 a realtor and rental propert owner, I rely on a steady flow of visitors. If this bill passes, my income will suffer. The level of buying activity is already down substantially. And with this bill, I could see fewer bookings, which might force me to reduce employee hours or raise prices for customers.

While I fully support protecting the environment, Hawaii 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. Just like Maui's Affordable Housing Fund, that is supported by tax revenue from rental property owners, I think there should be an audit to ensure accountability from fraud and waste.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

Mark Waite

HB-504-HD-2

Submitted on: 3/15/2025 5:13:36 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Kelly Moore | Individual | Oppose | Written Testimony Only |

Comments:

The Honorable Lynn DeCoite, Chair and

Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and

Members of the Committee on Water and Land

Hawaii State Legislature

State Senate

415 S. Beretania Street, Rm. #229

March 18, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Kelly Moore, and I am a 35 year resident of Maui. I own a rental property and work in management that directly relies on a healthy and sustainable tourism economy. I am

submitting testimony in strong opposition to HB 504 HD2 because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Hawaii's tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an unclear increase in the Transient Accommodations Tax (TAT) will make our islands even less attractive to visitors. We can't take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere. I personally know of so many families who previously rented from myself and my clients who are not returning to Maui, opting for more affordable destinations due to our high accommodation taxes.

Local Businesses and Workers Will Suffer

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. Through our rentals, we support 15 cleaners and countless trades people. Without the renters, we cannot support local cleaning, yard & home maintenance, handymen, etc.

As a rental operator, I rely on a steady flow of visitors. If this bill passes, I will see fewer bookings, which might force me to reduce employee hours and/or raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

Kelly Moore

March 15, 2025

The Honorable Lynn DeCoite, Chair and
Members of the Committee on Economic Development and Tourism,

My name is Shannon Greer, and I am an owner of a rental property on Maui. My husband and I graduated from BYU-Hawaii in Laie and lived on Oahu for many years. Our oldest son, who was born in Honolulu, currently lives there. We have many ties to Hawaii with local relatives and siblings and our 4 oldest children who have graduated from BYU-H. We visit 2-3 times per year (and sometimes use vacation rentals when we travel inter-island).

We rely on a healthy and sustainable tourism economy. I am submitting testimony in **strong opposition to HB 504 HD2** because it threatens the economic foundation that supports my family, my employees, and many others in our community, including our ability to travel and be with Ohana.

Hawaii's tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an **unclear increase in the Transient Accommodations Tax (TAT)** will make our islands even less attractive to visitors. We can't take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a **rental operator**, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce employee hours or raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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. Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,
Shannon Greer
Maui Vista 3-404

The Honorable Lynn DeCoite, Chair and
Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and
Members of the Committee on Water and Land

Hawaii State Legislature
State Senate
415 S. Beretania Street, Rm. #229

March 16, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

Our names are Dianne & Roy Obal, We own a **[small business / rental property]** that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in **strong opposition to HB 504 HD2** because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Hawaii's tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an **unclear increase in the Transient Accommodations Tax (TAT)** will make our islands even less attractive to visitors. We can't take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a **[small business owner / rental operator]**, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce employee hours or raise prices for customers.

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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

Roy & Dianne Obal

HB-504-HD-2

Submitted on: 3/15/2025 6:01:23 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Timothy J Hahn | Individual | Oppose | Written Testimony Only |

Comments:

Is this really necessary? I feel that this is sponsored by groups who just want to hurt the tourism industry in Hawaii. I believe in environmental tourism but oppose hurting local industries that are already taxed enough.

HB-504-HD-2

Submitted on: 3/15/2025 6:36:03 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Derek Tom | Individual | Oppose | Written Testimony Only |

Comments:

I would like to oppose Bill HB504 HD2. If additional funding is needed to support certain projects and funds, it would be more appropriate to seek ways to generate revenue rather than unfairly taxing specific individuals or using the TAT as an easy way out to get additional funding.

Regarding the DLNR stewardship projects, are they truly necessary, and what do they entail? We have seen the consequences of the rail project, which lacked proper due diligence and resulted in a waste of taxpayer money. How necessary are these projects

Many businesses and individuals do not pay taxes in general; addressing this issue would be a better solution than imposing fees on a certain group of homeowners. It is unjust to rely on the Transient Accommodations Tax (TAT) as the sole source of funding. If funding is desperately needed, it should be distributed more evenly among everyone.

HB-504-HD-2

Submitted on: 3/15/2025 6:43:02 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|----------------|--------------|--------------------|------------------------|
| David W Medina | Individual | Oppose | Written Testimony Only |

Comments:

Dear Chairs and Members,

My name is David Medina, and I am a proud resident of Maui]. I own a [small business/rental property] that depends on a healthy and sustainable tourism industry. I am submitting this testimony in **strong opposition** to HB 504 HD2 because it threatens the economic foundation that supports not only my family but also my employees and countless others in our community.

Hawai‘i’s tourism industry is already navigating significant challenges—rising airfare, global inflation, and economic uncertainty. Adding a new \$20 per night charge on rewards-based stays and a vague increase in the Transient Accommodations Tax (TAT) will only make Hawai‘i less competitive. We cannot afford to take visitor demand for granted—many other destinations are actively competing for the same travelers. If we continue to raise costs, visitors will choose to vacation elsewhere.

For small business owners like me, this legislation would have **real and immediate consequences**. Fewer visitors mean lower occupancy rates, lost revenue, and potentially, lost jobs. This ripple effect will hurt not only tourism-dependent businesses but also local restaurants, retail shops, and service providers who rely on visitor spending.

Instead of imposing additional burdens, we should be working to **enhance visitor experiences, promote responsible tourism, and support local businesses**. Hawai‘i’s economy thrives when visitors feel welcomed, not taxed at every turn.

I urge you to **reject HB 504 HD2** and consider policies that foster a balanced, sustainable, and thriving tourism industry—one that benefits both residents and visitors alike.

Mahalo for your time and consideration.

Sincerely,

David Medina

355 Front Street

Lahaina, Hi 96761

HB-504-HD-2

Submitted on: 3/15/2025 7:16:43 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Lois Crozer | Individual | Oppose | Written Testimony Only |

Comments:

Although I agree strongly that we must manage our aina, this isn't the way to do it. Our economy relies on tourism, but if you allowed owner occupied vacation rentals, you'd be getting a LOT more income to the general fund. Also, if you got rid of the HTA, you'd save a lot. Don't keep on adding costs on to tourists. They already pay OUTRAGEOUS hotel prices.

HB-504-HD-2

Submitted on: 3/15/2025 7:26:05 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

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

Comments:

Do you not know that the hand that feeds our economy and keeps our residents employed is tourism. Please read past issues of "Beat of Hawaii", read the statistics regarding the decline of tourism in the state. Our visitors are saying that we are biting the hand that feeds us, that they are fed up and they are going elsewhere. We are not the only warm, tropical destination, but we are one of the most expensive. You have already let them know that you want fewer tourists that spend more money. How is that working out? Enough with all the taxes and fees already.

HB-504-HD-2

Submitted on: 3/15/2025 7:30:28 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Denise Adams | Individual | Oppose | Written Testimony Only |

Comments:

The Honorable Lynn DeCoite, Chair and Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and
Members of the Committee on Water and Land
Hawaii State Legislature

State Senate

415 S. Beretania Street, Rm. #229

March 15, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Denise Adams and I am a resident of Maui I have own a rental property in Kihei that directly relies on a healthy and sustainable tourism economy. I have come in contact with many visitors about the world that have soured on going to Hawaii because of the high cost of services offered to our visitors. Car rentals, taxes at TVR, insurance for homeowners, and many visitors want me as the owner to pay their tourist taxes but I am already paying extraordinarily high property tax, HOA fees, and property insurance. The rental fees should be paying for theses bills but I cannot pay more of the tourists fees or it's not worth it to rent my place. It does not make sense to sustain the TVR and if I rent long term I cannot pay the mortgage plus HOA and insurance and property tax to make ends meet.

I am submitting testimony in strong opposition to HB 504 HD2 because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Hawaii's tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an unclear increase in the Transient Accommodations Tax (TAT) will make our islands even less attractive to visitors. We can't take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere. And they already are vacationing elsewhere as is already seen in our tourism numbers decline.

Tourism supports local businesses like restaurants, tours, transportation services, and retail shops. As fewer visitors come they spend less due to higher costs, local jobs and incomes are directly affected. And appraised values of home will decline and the tax base will fall. Last year my 588 ft² condo was appraised in the mid 700k. My property taxes were incredibly high. My condo, if I could sell it, because of all this nonsense with this fear of increased taxes and fear of not being able to rent on short term basis, has made the value of my condo drop below 600K. That is a 150K drop in value because of all this economic fear tourist gear and are being effect in their pocket book. Quickly after last years assessment, our property values plummeted and so did the influx of tourist. Property owners are being hit hard and all this fear of new taxes will keep tourist at bay. You all need to get the budget under control and taxes are not the answer.

While I fully support protecting the environment and Hawaiian lands, Hawaii has a history of misusing TAT funds, diverting money from its intended purposes. A continuing audit of the TAT funds to ensure they are being used correctly instead of adding new financial burdens on visitors.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

Denise Adams

Kihei, Maui

The Honorable Lynn DeCoite, Chair and
Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and
Members of the Committee on Water and Land

Hawaii State Legislature
State Senate
415 S. Beretania Street, Rm. #229

March 15, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Andrew Schulhof, and I own a rental property in Maui that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in strong opposition to HB 504 HD2 because it further threatens an already struggling economy, putting businesses, jobs, and residents at even greater risk.

Hawaii's tourism industry is already [facing major setbacks](#). Visitor arrivals in 2023 were down compared to pre-pandemic levels, with key international markets like Japan still lagging in recovery. This decline has had devastating effects on local workers and businesses, especially in Maui in which many of whom are still trying to financially recover from the economic fallout of the Lahaina wildfires and the pandemic. In addition to the tragic loss of life and property, thousands of jobs were lost, and small businesses—many of which rely on visitor spending—continue to fight for survival or have succumbed to closing their businesses.

Raising the Cost of Visiting Hawaii Will Push Tourists Away

Hawaii is already one of the most expensive destinations in the world, and the current tax burden on visitors is among the highest in the United States. After the state increased its retained share of the Transient Accommodations Tax (TAT) from 7.25% to 10.25%, counties like Maui were forced to impose their own additional 3% TAT. This, paired with an increase in the General Excise Tax, has already made Hawaii significantly more expensive for travelers. The combined tax rate of 17.92% on visitor stays and the high prices for everything involved with the tourism stay as stated has already had a serious impact on people wanting to vacation in Hawaii. Despite the decrease in tourism according to the [State of Hawaii's fact sheet on the Benefits of Tourism](#), the tax revenues to the state from tourism have increased by 44% in 2023 from to 2019 tax revenues. That is already a significant increase in revenues to the state.

Now, HB 504 HD2 proposes an undetermined increase in the TAT and additional \$20 per night surcharge on rewards-based stays, further driving up costs. With rising airfare and inflation impacting discretionary travel, Hawaii is pricing itself out of the market. We cannot assume that tourists will continue to come no matter what—destinations like Mexico, Florida, and the Caribbean offer lower-cost alternatives with comparable experiences. If we continue to raise prices, we risk losing visitors who support our economy, jobs, and way of life. Personally speaking, our guest bookings are already significantly lower than they were pre-pandemic, while every cost has increased from property taxes that have more than doubled in 10 years to insurance rates more than doubling since the Lahaina fires. In fact, I personally have already experienced guests cancelling their stays in 2026 as they decided they can't afford to visit Hawaii due to the high prices of everything and are looking for more economical vacation destinations.

Local Businesses, Workers, and Residents Will Suffer

[Tourism is a cornerstone of Hawaii's economy](#), supporting approximately 216,000 jobs and generating \$2.07 billion in state tax revenue as of 2019.

Tourism isn't just about hotels—it sustains restaurants, tour companies, transportation services, retail shops, and more. When visitor numbers drop or spending declines, Hawaii residents pay the price in lost income, reduced job opportunities, and higher costs of living.

A further decline in tourism due to higher costs could adversely affect local businesses such as restaurants, shops, and tour operators, which rely heavily on visitor spending.

As a rental operator, I depend on a steady flow of visitors to stay afloat. If this bill passes:

- I certainly will see even fewer bookings, directly impacting my livelihood.
- It will reduce the need for local services such as cleaning repairs and maintenance which ultimately means that the local business will have to cut employee hours and or lay off workers.
- I don't have the capabilities to raise prices on local customers to make up for lost revenue.

Even if I was to convert the business model to long-term rental rent it would not be even close to being financially neutral due to all the operating costs and taxes and the local businesses that I currently employ would lose that business.

For Maui residents, who are still trying to recover from the Lahaina disaster, this bill is an added financial burden at the worst possible time. Businesses in West Maui are already struggling due to the steep drop in visitors post-wildfires. The devastating Lahaina wildfires in August 2023 led to a sharp decline in visitor arrivals and expenditures. [According to the release dated December 11, 2023](#) by the State of Hawaii Department of Business, Economic Development and Tourism, between August and October 2023, spending by air visitors to Maui County plummeted by 41.4% compared to the same period in 2022. This downturn resulted in substantial job losses, with unemployment in the affected areas surging from 2% to 14%. This proposal could slow recovery even further, worsening unemployment and economic hardship.

Where Is the Accountability for Existing Tourism Taxes?

While I fully support protecting Hawaii's natural resources, the state has a history of mismanaging and diverting TAT revenue away from its intended purposes. Before adding yet another tax on visitors, the government should conduct a full audit of existing funds to ensure they are being used effectively for environmental conservation and infrastructure improvements.

In Maui, the erosion of the shoreline to our property lost over 14 feet deep of land across the entire shoreline. This dire situation forced our condo association to go through a rigorous and extremely expensive permitting process which increased from 5 million dollars for a sheet pile plus a lava rock revetment to over 7 million dollars that we had to finance privately for just the sheet pile protection on the property land further reducing our land to protect our property from being destroyed by erosion. Although it is a financial hardship we prepared to undertake the cost for our owners and our guests.

Hawaii's economy relies on balance—we must preserve our environment without making our islands unaffordable for visitors or unsustainable for local businesses. HB 504 HD2 jeopardizes both our economic stability and long-term prosperity. I think that there can be a better way to deal with the environment preservation. Here are just a few points of consideration: create a loan mechanism for those communities, businesses, associations that are affected, engage with the communities, businesses, associations affected in meaningful solution based dialogue, increase the efficiency of the processes to preserve the environment with a focus on fiscal responsibility.

I strongly urge you to oppose this bill and instead focus on sustainable, responsible solutions that protect both our economy and our natural beauty.

Thank you for your time and consideration.

Respectfully,
Andrew Schulhof
Independent rental property owner

HB-504-HD-2

Submitted on: 3/15/2025 7:57:17 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Paul D Crawford | Individual | Oppose | Written Testimony Only |

Comments:

Aloha, I am writing to oppose HB504. On the verge of the looming Trump recession, making Hawaii tourism MORE expensive is self destructive. Maui is already paying the price of bad regulation, don't inflict that pain on the rest of the state.

Tourism is not an endless well of money to be exploited, but until alternative economic means are developed; It's our main source of revenue. Don't kill it.

Paul Crawford

HB-504-HD-2

Submitted on: 3/15/2025 8:08:36 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

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

Comments:

Increased Tax Burden Will Harm Hawaii’s Tourism Competitiveness

Hawaii already has one of the highest visitor tax burdens in the U.S. Raising the Transient Accommodations Tax (TAT) and adding new fees, such as the \$20/night charge on loyalty-based stays, will make Hawaii less competitive compared to other travel destinations.

This could discourage repeat visitors and drive travelers to more affordable destinations, resulting in a decline in tourism.

HB-504-HD-2

Submitted on: 3/15/2025 8:22:46 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Kaipoleimanu Diaz | Individual | Oppose | Written Testimony Only |

Comments:

The Bill Adds Complexity to an Already Over-Regulated Industry

Hawaii's tourism and hospitality sectors are already subject to numerous taxes and regulations. The additional costs and complexities created by this bill could burden small property owners and local tourism-related businesses, making it more difficult to compete in a global market.

Many families in our community are struggling just to make ends meet. The rising property taxes and insurance premiums are threatening to force them to lose their homes. This added financial burden is becoming too much to bear. For many, their mortgage payments have increased so significantly that they can no longer afford them, forcing them to make difficult sacrifices just to cover basic living expenses. These are local residents, born and raised here in Hawaii. We urge you to help, not harm, us! Politicians should prioritize the well-being of the people, not their own interests.

HB-504-HD-2

Submitted on: 3/15/2025 8:26:16 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Patricia Cadiz | Individual | Oppose | Written Testimony Only |

Comments:

I strongly oppose any increase in taxes on the tourism industry at this time! Like it or not we are dependent on our guests to the state and they are not a bottomless well of cash. In fact with all the political chaos at the federal level, our tourism economy has never been more threatened than it is right now. NOW IS NOT THE TIME FOR ANOTHER TAX INCREASE! Vote NO, please !

The Honorable Lynn DeCoite, Chair and
Members of the Committee on Economic Development
and Tourism

The Honorable Lorraine R. Inouye, Chair and
Members of the Committee on Water and Land

Hawaii State Legislature
State Senate
415 S. Beretania Street, Rm. #229

March 18, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Tamara Bexton, and I am a resident of Maui. As I am self employed without a pension, I purchased a rental property with hopes of paying it off by the time that I retire, in order to create a revenue stream to help support my family in my retirement. Success for this plan directly relies on a healthy and sustainable tourism economy.

I am submitting testimony in **strong opposition to HB 504 HD2** because it threatens the economic foundation that supports my family, my employees, and many others in our community. The last few years have already hit STR owners hard with massive tax increases, both property tax and TAT's. Also the message by Mayor Bissen and general sentiment on Maui is that tourists are

not wanted, which has greatly reduced occupancy and rental rates.

Hawaii's tourism industry is facing challenges with rising airfare, global inflation, and economic uncertainty. The low Canadian and Japanese currencies and anti-Trump sentiment in other countries will also reduce the amount of tourists interested in coming to Maui. Introducing a new \$20 per night charge on rewards-based stays and an unclear increase in the Transient Accommodations Tax (TAT) will make our islands even less attractive to visitors. We can't take visitor demand for granted—many other destinations are competing for the same travelers. We are already seeing the result of costs becoming so high the vacationer's are choosing to take their tourist dollars elsewhere.

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. Local businesses and workers will suffer even further, and this coming at a time that things are already depressed on Maui and likely will get worse with what is happening with our Federal government.

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

Tamara Bexton
Kamsands 5108 LLC

HB-504-HD-2

Submitted on: 3/15/2025 8:40:37 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Steve Dielman | Individual | Oppose | Written Testimony Only |

Comments:

The Honorable Lynn DeCoite, Chair and
Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and
Members of the Committee on Water and Land

Hawaii State Legislature
State Senate
415 S. Beretania Street, Rm. #229

March 18, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is **Steve Dielman**, and **I am a resident of Maui**. I own a **small business and rental property** that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in **strong opposition to HB 504 HD2** because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Hawaii's tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an **unclear increase in the Transient Accommodations Tax (TAT)** will make our islands even less attractive to visitors. We can't take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a **rental operator**, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce employee hours or raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

Steve Dielman

HB-504-HD-2

Submitted on: 3/15/2025 8:45:25 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Melissa Raynier | Individual | Oppose | Written Testimony Only |

Comments:

Subject: Opposition to HB504 HD2 – Harmful Impact on Hawaii’s Economy

Dear Council Members,

I am writing to express my strong opposition to HB504 HD2, which introduces higher taxes on tourism, including an undefined increase in the Transient Accommodations Tax (TAT) and a \$20 per night fee on loyalty stays. These tax hikes will negatively impact Hawaii’s economy, particularly businesses and residents who rely on tourism for their livelihoods.

Hawaii’s tourism industry is already vulnerable to rising global costs, and adding further financial burdens will only deter visitors. At a time when federal funding and resources are being reduced, this additional tax burden will further strain local businesses and residents.

Additionally, the state’s growing debt raises concerns about future tax increases that could further hurt Hawaii’s residents and economy. Rather than imposing additional financial strain, we urge you to consider policies that support economic growth and sustainability.

I respectfully ask you to oppose HB504 HD2 to protect our local economy and the people who depend on it.

Sincerely,

Melissa Raynier

HB-504-HD-2

Submitted on: 3/15/2025 8:50:28 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Peter Schulhof | Individual | Oppose | Written Testimony Only |

Comments:

Subject: Opposition to HB504 HD2 – Harmful Impact on Hawaii’s Economy

Dear Council Members,

I am writing to express my strong opposition to HB504 HD2, which introduces higher taxes on tourism, including an undefined increase in the Transient Accommodations Tax (TAT) and a \$20 per night fee on loyalty stays. Tourism is already struggling, and HB504 HD2 will further discourage visitors, ultimately harming Hawaii’s economy, businesses, and residents who depend on tourism for their livelihoods.

Hawaii’s tourism industry is already vulnerable to rising global costs, and adding further financial burdens will only push visitors away. At a time when federal funding and resources are being reduced, this additional tax burden will place even more strain on local businesses and residents.

Additionally, the state’s growing debt raises concerns about future tax increases that could further impact Hawaii’s residents and economy. Rather than imposing additional financial strain, we urge you to consider policies that foster economic growth and sustainability.

I respectfully ask you to oppose HB504 HD2 to protect our local economy and the people who depend on it.

Regards

Peter Schulhof

HB-504-HD-2

Submitted on: 3/15/2025 9:06:34 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| Dawn Mason | Individual | Oppose | Written Testimony Only |

Comments:

I am writing in opposition of HB504 HD2 which proposes higher taxes on tourism, including an undefined increase in the Transient Accommodations Tax (TAT) and a new \$20/night fee on loyalty stays, presents serious risks to Hawaii’s economy and local businesses that depend on tourism revenue. These proposed tax hikes could have far-reaching negative effects, especially during a time when the state is still recovering from the economic challenges of the past few years.

Key Concerns:

- 1. Increased Costs for Tourists:** Raising taxes on visitors will make Hawaii a less attractive destination for travelers. The new fees, combined with existing taxes, could lead tourists to seek alternative vacation spots with more affordable options, ultimately reducing the volume of visitors to the state. Fewer tourists would directly harm local businesses, from hotels to restaurants, and negatively affect the livelihood of workers in these industries.
- 2. Economic Impact on Local Businesses:** Hawaii’s economy is highly dependent on tourism. Many small businesses, including those owned by local entrepreneurs, rely heavily on visitor spending. The proposed tax increases may lead to decreased demand for services and products, putting these businesses at risk of closure or significant loss in revenue. In turn, this would also lead to layoffs and job losses for workers who are already struggling in an uncertain economic climate.
- 3. Uncertain Impact on Long-Term Growth:** While the revenue generated by these taxes is intended for local infrastructure and environmental conservation, there is no clear plan for how these funds will be used or whether they will effectively address the real needs of the state. Without clear accountability and targeted investment, the tax hikes could end up creating a financial burden without delivering the promised benefits.
- 4. Burden on Residents and Visitors Alike:** While tourists are the primary targets of these taxes, there is an indirect burden placed on residents as well. Higher prices and reduced business activity could lead to increased costs of living for locals. Additionally, residents who rely on the tourism industry for their livelihoods would feel the strain of reduced job opportunities and wages.

In conclusion, HB504 HD2 risks hurting the very industries that fuel Hawaii’s economy. Raising taxes on tourism at this critical time could undermine the recovery efforts and make the state less competitive as a global travel destination. Rather than relying on additional taxes, Hawaii should

focus on supporting local businesses, improving the tourism experience, and investing in sustainable practices that benefit both residents and visitors without imposing new financial burdens.

HB-504-HD-2

Submitted on: 3/15/2025 9:09:39 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Chris Gale | Individual | Oppose | Written Testimony Only |

Comments:

The Honorable Lynn DeCoite, Chair and

Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and

Members of the Committee on Water and Land

Hawai'i State Legislature

State Senate

415 S. Beretania Street, Rm. #229

March 18, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Christine A. Gale, and I am a resident of Maui County. I own a two bedroom/two bath condominium where I share my living space. I directly rely on a healthy and sustainable tourism economy. I am submitting testimony in strong opposition to HB 504 HD2 because it

threatens the economic foundation that supports myself, my employees, my neighbors and many others in our community.

Hawai‘i’s tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an unclear increase in the Transient Accommodations Tax (TAT) will make our islands even less attractive to visitors. We can’t take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a room rental operator, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce employee hours or raise prices for customers or even sell and move from my 35 year home.

New Tax Revenue Must Be Transparent and Well-Managed

While I 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.

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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won’t harm our economy.

Thank you for your time and consideration.

Respectfully,

Christine A. Gale

HB-504-HD-2

Submitted on: 3/15/2025 9:09:46 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

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

Comments:

Higher Costs for Tourists: Increased taxes will make Hawaii less competitive and reduce tourism.

Economic Impact: Local businesses and workers who depend on tourism income will be hit hard in this time of economic uncertainty.

Hawaii's Short Term Rental market has already been negatively affected by GE/TA/OTAT taxes of almost 19 %.

The high costs to fly to Hawaii, and the already high costs of living here, plus the homeless issues, and a rising crime rate are all putting serious pressure on Hawaii's ability to remain competitive in the Tourism market.

If we ever drive away the tourism market I see no way for us to replace the huge amount business income and tax revenue.

HB-504-HD-2

Submitted on: 3/15/2025 9:31:12 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|------------------|--------------|--------------------|------------------------|
| Patrick Bertrand | Individual | Oppose | Written Testimony Only |

Comments:

Dear Chairs and Members,

My name is Patrick Bertrand, and **I have a rental property in Kihei** that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in **strong opposition to HB 504 HD2** because it threatens the economic foundation that supports my family, my employees, and many others in our community. Tourism already went down. It is easy to notice on south Kihei road. So many shop and store closed. Introducing a new \$20 per night charge on rewards-based stays and an **unclear increase in the Transient Accommodations Tax (TAT)** will make our islands even less attractive to visitors. We can't take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a small renter operator, I rely on a steady flow of visitors. It is already hard. If this bill passes, I could see fewer bookings, which might force me to reduce employee hours or raise prices for customers. Even less tax would be send to government.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

Patrick Bertrand

Luanakai C-304 owner

HB-504-HD-2

Submitted on: 3/15/2025 9:56:27 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Keili McEvelly | Individual | Support | Written Testimony Only |

Comments:

Aloha Kākou,

my name is Ke'ili and I live in Waimanalo. I am writing you to express my strong support for HB504 HD2. Now is the time for our community leaders to show just how important our environmental stewards are. Having a flourishing 'āina is good for our future, for our people and for our economy. You have the power to secure funds and support for the care of these places that make Hawai'i, Hawai'i!

mahalo for your consideration,

Ke'ili

HB-504-HD-2

Submitted on: 3/15/2025 10:05:24 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Larry Levine | Individual | Oppose | Written Testimony Only |

Comments:

The Honorable Lynn DeCoite, Chair and

Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and

Members of the Committee on Water and Land

Hawaii State Legislature

State Senate

415 S. Beretania Street, Rm. #229

March 18, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is **Larry Levine**, and **I am an owner for over 40 years of a rental property on Maui** that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in **strong opposition to HB 504 HD2** because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Hawaii's tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Even more so on Maui due to the tragic Lahaina fires. Introducing a new \$20 per night charge on rewards-based stays and an **unclear increase in the Transient Accommodations Tax (TAT)** will make Maui even less attractive to visitors. We can't take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a **rental operator**, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce employee hours or raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

Larry Levine

HB-504-HD-2

Submitted on: 3/15/2025 10:16:24 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Steve Cawley | Individual | Oppose | Written Testimony Only |

Comments:

Canadians and Japanese tourists are no longer coming to Maui due to their flailing exchange rates, and other issues. The economy is not strong. Tourism is down significantly. Hawaii is already a very expensive vacation destination, making it more so will only give tourists more reason to stay home. I am opposed.

HB-504-HD-2

Submitted on: 3/15/2025 10:28:30 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|----------------------|--------------|--------------------|------------------------|
| Alexandros Mavrellis | Individual | Oppose | Written Testimony Only |

Comments:

A Plea for Maui’s Future: Protecting the Spirit of Aloha & the Families Who Keep It Alive

Aloha,

My name is Alexi Mavrellis, and I am the owner of 250 Hauoli St #115 in Wailuku, a place that has welcomed generations of hardworking families—police officers, firefighters, nurses, teachers—who return time and time again to experience the magic of Maui. These are not luxury travelers or the ultra-wealthy looking for exclusivity. They are people who save, plan, and dream for years just for the chance to be here.

For them, this isn’t just a vacation. It’s a homecoming.

And yet, HB504 HD2 threatens to take that away.

This bill doesn’t just raise taxes. It fundamentally shifts who gets to experience Maui. It tells everyday, hardworking families that Hawaii is no longer for them, that only those who can afford ever-increasing costs will be welcome. It prioritizes short-term tax grabs over long-term economic sustainability, and in doing so, it threatens to sever the very connection that has kept Maui thriving for decades.

HB504 HD2 Will Devastate Local Businesses & Families

Hawaii is already one of the most expensive destinations in the world. Visitors today face record-high airfare, inflation, and economic uncertainty. Maui is still recovering from devastating wildfires. And now, instead of helping stabilize our local businesses, this bill adds new, undefined taxes that will push visitors away at the worst possible time.

What happens when Maui becomes too expensive?

- Tourists won’t stop traveling—they’ll just go elsewhere.
- Local businesses will suffer. The restaurants, tour companies, and shops that depend on steady visitor spending will see fewer customers and declining revenue.

- Jobs will be lost. The very people this bill claims to protect—Maui’s workers—will bear the brunt of fewer visitors and reduced spending.
- The character of our visitors will change. Instead of loyal families who return every year, we’ll see an influx of only the wealthiest tourists—those who may spend in resorts but never engage with local businesses or the true culture of Maui.

And all of this for what? More taxes on an industry already carrying the weight of the state’s economy?

The Visitors Who Choose Maui Again & Again Deserve Better

At 250 Hauoli St, we have been privileged to host families who return year after year because we offer something that is becoming increasingly rare: an affordable way to experience Maui without luxury price tags.

These visitors are not just tourists—they are part of Maui’s extended ohana. They stay longer, they shop at local farmers’ markets, dine in family-owned restaurants, book tours with small operators, and truly invest in the community.

Ask any small business owner in the area, and they’ll tell you:

- These guests are familiar faces, not just one-time visitors.
- They respect the land and the culture.
- They don’t come to exploit the island, but because they feel connected to it.

And as an owner, I pay my fair share. I pay the appropriate Short-Term Rental (STR) taxes, VAT, and Maui taxes—revenue that already contributes to the state’s needs. This bill punishes responsible business owners while ignoring the real issue: mismanagement of existing TAT funds.

Demand a Smarter, Sustainable Approach—Not Reckless Taxation

Instead of pricing out the very visitors who love and respect this island, lawmakers should:

1. Audit existing TAT funds to ensure they are being properly allocated before imposing new taxes.
2. Develop alternative funding strategies that protect Maui without destroying its tourism base.
3. Support responsible tourism policies that welcome visitors who truly embrace the aloha spirit—not just those who can afford to buy their way in.

HB504 HD2 Will Change Maui Forever—And Not for the Better

This bill is not about protecting Hawaii. It's a short-sighted money grab that will have long-term consequences.

- When small businesses close, blame this bill.
- When jobs are lost, blame this bill.
- When returning families can no longer afford to visit, and Maui's soul is replaced by a playground for only the ultra-wealthy, blame this bill.

There is still time to choose a better path. One that ensures Maui remains accessible not just to the richest few, but to the generations of families who have loved and supported it for decades.

I urge you: reject HB504 HD2. Do not let reckless taxation drive away the very people who make Maui special.

Mahalo,

Alexi Mavrellis

HB-504-HD-2

Submitted on: 3/15/2025 10:34:03 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Roderick Yu | Individual | Oppose | Written Testimony Only |

Comments:

Aloha, I wish to submit opposing testimony to this horrendous bill.

Most of my ohana work in the visitor industry and the no. 1 complaint ALL of them have is that it is really getting very, very expensive to come to Hawai'i. This bill pushes cost on accommodations for over 25%-30% more! No wonder most of them would rather just go elsewhere!

Ke olu'olu..stop with these bills that are hewa loa to our livelihood!

HB-504-HD-2

Submitted on: 3/15/2025 11:02:24 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Thomas Pearson | Individual | Oppose | Written Testimony Only |

Comments:

Further regulation on vacation rentals in Hawaii should be opposed because it threatens to exacerbate an already precarious economic situation, driving both residents and revenue to other states while costing jobs and deepening uncertainty in an insurance market that's already strained. Hawaii's economy relies heavily on tourism, and vacation rentals—often operated by local families or small businesses—play a critical role in keeping that engine running. Adding more restrictive rules, like caps on rental permits or tougher zoning laws, risks choking this vital income stream at a time when the state can least afford it.

Look at the competition: states like Florida, Texas, and South Carolina have embraced vacation rentals with fewer restrictions, making them magnets for property owners and tourists alike. If Hawaii tightens the screws, owners will simply sell up and invest elsewhere, taking their tax dollars and economic activity with them. The ripple effect is already visible—people are leaving Hawaii in droves, with the state's population dropping by over 14,000 between 2020 and 2023, according to U.S. Census data. Pile on more regulations, and you're giving residents and businesses yet another reason to pack up for greener pastures.

Jobs are on the line too. Vacation rentals support a web of local employment—cleaners, property managers, maintenance workers, and even small vendors who cater to tourists. A 2022 study by the Hawaii Tourism Authority estimated that short-term rentals generated over \$2 billion in direct spending. Slash that by over-regulating, and you're not just hurting property owners; you're cutting off livelihoods for thousands of workers who depend on this industry. With Hawaii's unemployment rate already hovering above the national average, this is a hit we can't take.

Then there's the insurance mess. Property owners are already grappling with skyrocketing premiums due to climate risks like wildfires and hurricanes—costs that jumped 30-50% in some areas after the 2023 Lahaina fire. More regulations, like mandatory conversions to long-term housing, could make it impossible to offset those expenses, leaving owners underwater and insurers even warier of covering properties here. The uncertainty alone is a job killer—businesses won't invest, and workers won't stay.

Hawaii can't afford to lose more ground to other states. Vacation rentals aren't the enemy; they're a lifeline. Regulating them further doesn't solve housing shortages—it just pushes people and prosperity out the door. We need policies that keep Hawaii competitive, not ones that kneecap our own economy.

HB-504-HD-2

Submitted on: 3/15/2025 11:04:01 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Herb Rose | Individual | Oppose | Written Testimony Only |

Comments:

I oppose HB 504

HB-504-HD-2

Submitted on: 3/15/2025 11:28:46 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Bob Alessandrelli | Individual | Oppose | Written Testimony Only |

Comments:

As a long-term owner of a oceanfront Maui condo who short-term rents to help defray some of my expensive costs, I'm opposed to this bill. As a frequent visitor myself, I fully understand that taxes and fees really drive up a Hawaiian vacation. It sure costs us a lot more to visit than it did a few years ago. We're not alone in noticing this. These taxes do nothing to support sustained tourism. Please consider this testimony when you vote. Mahalo.

HB-504-HD-2

Submitted on: 3/15/2025 11:30:00 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|-----------------------|---------------------|---------------------------|---------------------------|
| Deborah A von Tempsky | Individual | Oppose | Written Testimony Only |

Comments:

Please do not vote for this bill, it will impact our state greatly. Tourist pay enough right now! Hawaii is losing ground, this bill would be another nail in the coffin for small business. There are many other places for tourist to go besides Hawaii. I just returned from vacation in New Zealand. It was very clean in the ocean & on land, no visible homeless, friendly people and a great exchange rate. Tourists are our gold egg please do not rock the boat!

Mahalo for your time

HB-504-HD-2

Submitted on: 3/15/2025 11:43:48 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Allison McGonagle | Individual | Oppose | Written Testimony Only |

Comments:

Hawaii's tourism is already vulnerable to rising global costs. The new tax burden will hurt local businesses and residents at a time when federal funding and resources are being cut daily. The state's increasing debt could lead to future tax hikes, hurting residents. Residents have already been dealt swift blows to the economy and their livelihoods from COVID and the Lahaina Fires. Until Maui has successfully replaced or further transitioned its dependence on tourism dollars, it is not wise to narrow such an important part of the economy without an alternate solution.

HB-504-HD-2

Submitted on: 3/15/2025 12:14:44 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|-----------------------|---------------------|---------------------------|------------------------|
| Bill & Janet Anderson | Individual | Oppose | Written Testimony Only |

Comments:

The economic and emotional strain on all is obvious. But putting the blame on "short term rentals" after over 40 years of government neglect on affordable housing and allowing multi-national owned hotels (which take their money home) to flourish does not quite seem the answer. We small property owners of 50 year old buildings with extremely high HOA fees will never become "affordable housing". As an example, we have a 468 square foot apartment with no storage and one parking spot. To keep afloat with very high taxation, taxes, etc, and existing mortgage we would need almost \$3,000/mo rent. What normal local family can afford that? You are already aware of the loss of local jobs and small (not within huge resorts) businesses which most probably will result. Where is your common sense in all this? I have to say "follow the money" when it comes to politics. Very sad and dis-heartning

HB-504-HD-2

Submitted on: 3/15/2025 12:17:19 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Kevin Kirst | Individual | Oppose | Written Testimony Only |

Comments:

Hello,

Hello,

I have owned property on Maui for the last eight years and with the recent events of the Lahaina fire we do not need to drive away people from coming to our beautiful island. We need to encourage people to return not to discourage them with more taxes!!!

Thank you for opposing this measure!

Kevin Kirst

HB-504-HD-2

Submitted on: 3/15/2025 12:36:25 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

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

Comments:

Please oppose this bill. Small business owners are already suffering the lack of tourism here on Maui due to the mayor's horrible plan to remove 7000 stvr's and all the income and taxes they generate. Please do not tax our #1 industry more, this will result in less tourism as Hawaii is already too expensive. Let's get back to common sense.

Mahalo

HB-504-HD-2

Submitted on: 3/15/2025 12:42:54 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| Valarie Leal | Individual | Oppose | Written Testimony Only |

Comments:

Aloha member of the committee,

I opposed the bill due to the following reasons,

1. Increased Tax Burden Will Harm Hawaii’s Tourism Competitiveness

Hawaii already has one of the highest visitor tax burdens in the U.S. Raising the Transient Accommodations Tax (TAT) and adding new fees, such as the \$20/night charge on loyalty-based stays, will make Hawaii less competitive compared to other travel destinations. This could discourage repeat visitors and drive travelers to more affordable destinations, resulting in a decline in tourism.

2. Vulnerable Economic Position Due to External Factors

The tourism industry is sensitive to global economic pressures such as rising fuel costs, inflation, and geopolitical instability. Adding further costs at a time of economic uncertainty may drive away tourists. With competition from other destinations intensifying, higher taxes could discourage visitors at a critical time when tourism revenue is still recovering post-pandemic.

3. The Bond Could Create Long-Term Fiscal Risk

The bill proposes the creation of a Reimbursable General Obligation Bond Debt Service Special Fund, which adds state debt that must be repaid with interest. If tourism revenues decline or fail to meet expectations, this could lead to a burden on state finances and potentially force higher taxes or reductions in other essential services.

4. Additional Taxation Threatens Local Businesses

Small businesses and rental property owners depend on tourism for income. Higher taxes and fees directly harm the economic sustainability of local businesses, including those offering accommodations, tours, dining, and retail services. A reduction in visitor spending could lead to job losses, reduced wages, and higher prices for local consumers, affecting the broader Hawaii economy.

5. Lack of Transparency and Oversight of Fund Allocation

There is no clear mechanism in the bill to ensure that newly collected funds will be used for environmental stewardship as promised. Hawaii has a history of misallocated tourism-related tax revenues, which raises concerns that these new taxes may not effectively address environmental needs.

Before introducing new tax burdens, the state should conduct a thorough audit of existing TAT revenues and ensure that current funds are being used efficiently.

6. Bond Financing is Not a Sustainable Solution

Relying on bonds for long-term environmental funding is not a sustainable solution. Bonds provide an initial influx of money but must be repaid, creating future financial obligations for the state.

This creates fiscal uncertainty and may lead to further tax increases in the future, increasing the strain on the tourism economy.

7. The Bill Adds Complexity to an Already Over-Regulated Industry

Hawaii's tourism and hospitality sectors are already subject to numerous taxes and regulations. The additional costs and complexities created by this bill could burden small property owners and local tourism-related businesses, making it more difficult to compete in a global market.

mahalo for your time and understanding,

valarie Leal

HB-504-HD-2

Submitted on: 3/15/2025 12:59:07 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|-------------------|--------------|--------------------|------------------------|
| Kevin Dieffenbach | Individual | Oppose | Written Testimony Only |

Comments:

1. Increased Tax Burden Will Harm Hawaii’s Tourism Competitiveness

Hawaii already has one of the highest visitor tax burdens in the U.S. Raising the Transient Accommodations Tax (TAT) and adding new fees, such as the \$20/night charge on loyalty-based stays, will make Hawaii less competitive compared to other travel destinations.

This could discourage repeat visitors and drive travelers to more affordable destinations, resulting in a decline in tourism.

2. Vulnerable Economic Position Due to External Factors

The tourism industry is sensitive to global economic pressures such as rising fuel costs, inflation, and geopolitical instability. Adding further costs at a time of economic uncertainty may drive away tourists.

With competition from other destinations intensifying, higher taxes could discourage visitors at a critical time when tourism revenue is still recovering post-pandemic.

3. The Bond Could Create Long-Term Fiscal Risk

The bill proposes the creation of a Reimbursable General Obligation Bond Debt Service Special Fund, which adds state debt that must be repaid with interest.

If tourism revenues decline or fail to meet expectations, this could lead to a burden on state finances and potentially force higher taxes or reductions in other essential services.

4. Additional Taxation Threatens Local Businesses

Small businesses and rental property owners depend on tourism for income. Higher taxes and fees directly harm the economic sustainability of local businesses, including those offering accommodations, tours, dining, and retail services.

A reduction in visitor spending could lead to job losses, reduced wages, and higher prices for local consumers, affecting the broader Hawaii economy.

5. Lack of Transparency and Oversight of Fund Allocation

There is no clear mechanism in the bill to ensure that newly collected funds will be used for environmental stewardship as promised. Hawaii has a history of misallocated tourism-related tax revenues, which raises concerns that these new taxes may not effectively address environmental

needs.

Before introducing new tax burdens, the state should conduct a thorough audit of existing TAT revenues and ensure that current funds are being used efficiently.

6. Bond Financing is Not a Sustainable Solution

Relying on bonds for long-term environmental funding is not a sustainable solution. Bonds provide an initial influx of money but must be repaid, creating future financial obligations for the state.

This creates fiscal uncertainty and may lead to further tax increases in the future, increasing the strain on the tourism economy.

7. The Bill Adds Complexity to an Already Over-Regulated Industry

Hawaii's tourism and hospitality sectors are already subject to numerous taxes and regulations. The additional costs and complexities created by this bill could burden small property owners and local tourism-related businesses, making it more difficult to compete in a global market.

HB-504-HD-2

Submitted on: 3/15/2025 1:37:50 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

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

Comments:

This Bill is another huge shot to the already suffering economy. This Bill affects local citizens the most. This will lead to a further loss of jobs, businesses and overall tax revenues that is not sustainable. There is a domino effect which affects all streams of tax revenue including property taxes. Maui has already been hurt by the fires and by the negative press propagated by a fringe group of locals who used donations from empathic US citizens to pay themselves and hire social media consultants. Governor Greene and Mayor Bissen: If these supposed leaders refuse to acknowledge that robust tourism is essential to a strong economy, more lives will be destroyed. More families will be forced to leave and they will go down in history as bankrupting Maui County. Numbers don't lie. Look at where you are at today and the trajectory of the past few years. Numbers don't lie. Spend some of the existing tax dollars on economists that can explain the basics of economics to the people making these short sighted decisions. Very sad....

HB-504-HD-2

Submitted on: 3/15/2025 1:45:52 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Mary Marvin Porter | Individual | Oppose | Written Testimony Only |

Comments:

Aloha Representatives,

HB 504 says “\$20 transient accommodation tax to be levied per night for each furnishing of transient accommodations in exchange for points, miles, or other amounts provided through a membership, loyalty, or rewards program.” It is COMICAL and CRAZY to have no explanation as to what is referred to “ in exchange for points, miles, or other amounts provided through a membership, loyalty, or rewards program.” There is already almost 15% tax on vacation rental income and an extra \$20 per night is prohibitive to maintaining a vacation rental business. And evidently that is your goal.

I have vacation rental in my home and treat my guests as friends and update them as to local happenings. I am 30 year resident of the Big Island, retired from my video business, and lost my savings in the 2008 stock market debacle of subprime loans, etc. So I like many others here need this income. Unfortunately off island residents see this market as a great way to make money and have a vacation home as a high paying rental property and no personal involvement of themselves.. Those are the ones that should be taxed more.

I oppose HB 504. Thank you for your concern in this matter.

Mahalo,

Mary Marvin Porter

Island Eyes Video

HB-504-HD-2

Submitted on: 3/15/2025 1:55:42 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Karen Grafe | Individual | Oppose | Written Testimony Only |

Comments:

March 15, 2025

OPPOSITION TO HB504 HD2

Dear Honorable Lynn DeCoite, Chair, and Members of the Committee on Economic Development and Tourism and Honorable Lorraine R. Inouye, Chair, and Members of the Committee on Water and Land,

My name is Karen Grafe. My husband Joe and I have been residents of Kihei, Maui since 2001. We currently own two legal vacation rental condominiums in Kihei which contribute substantial taxes to the State and Maui County. Eventually, one of the condos will house our care givers while the other will help supplement our Social Security. We have no children so we are planning to take care of ourselves.

I am writing to strongly oppose HB504 HD2 because as 77 year old seniors our income would be negatively impacted and we would not have the option of seeking other employment if this bill passes. Additionally, this bill would be very detrimental to the income of our cleaner, our management company and the numerous employees and owners of business on Maui patronized by us and our guests. By the way, many of those guests come from Oahu and other neighbor islands and cannot afford to stay in expensive hotels.

Maui is already suffering economically from lower tourism due to Covid and then the fire in Lahaina. We personally know of many business that have closed and many people who have left the island because they can no longer afford to live here. We have friends here who want their children and grandchildren to be able to have jobs so that they can afford to live here. This bill will cause tourists to think twice about being able to afford to come to Hawaii. It is already among the most expensive vacations they will ever take. Also, we rely a lot on Canadian visitors who have the additional burden of the low value of the Canadian dollar against the US dollar. We have a number of regular visitors from Canada who are finding it hard to continue their winter visits to Maui.

Instead of increasing taxes whenever a need is perceived, why not audit the current use of TAT funds to make sure they are being used in the best manner. You do not want to kill the golden goose by increasing the burdens on tax payers. In fact, there may be other sources of funds that should be explored before raising taxes.

We fully support protecting the environment, especially the ocean environment which benefits our state so much. My husband and I spent many years volunteering and then working for the Pacific Whale Foundation. We both learned through that experience that most tourists really want to do the right thing when it comes to the environment. PWF concentrates on education of tourists and offers opportunities for tourists to volunteer to do such positive things as clean up the beaches. They learn not to walk on the coral or throw trash into the ocean. The State could do much more in educating everyone about the environment and in offering volunteer programs for tourists.

I urge you to vote against this bill that would hurt so many people and concentrate on ways to encourage responsible environmental behavior and educate tourists. Having videos or brief pamphlets on planes coming to Hawaii would go a long way to curb problems. Most mainlanders and people from other countries have no idea that coral is formed by little animals or that turtles eat cigarette butts. They always seem to be more positive about Hawaii when they learn these things.

Mahalo for your attention.

Sincerely,

Karen Grafe

Kihei, Maui

HB-504-HD-2

Submitted on: 3/15/2025 2:27:45 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| Amy Ramos | Individual | Oppose | Written Testimony Only |

Comments:

The Honorable Lynn DeCoite, Chair and

Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and

Members of the Committee on Water and Land

Hawai'i State Legislature

State Senate

415 S. Beretania Street, Rm. #229

March 18, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Amy Ramos, and I'm a resident of Maui. I own a short-term vacation rental that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in **strong opposition to HB 504 HD2** because it threatens the economic foundation that supports my family, my employees, and many others in our community.

The current transient accommodations tax for the State of Hawai'i is **10.25%**, not **9.25%** as shown in the document.

Additionally, the State stopped transmitting the County's share of the TAT to the counties in 2021 and allowed them to increase the TAT an additional 3%. This means the effective TAT (State and County) is **13.25%**. Once the GET tax is added, we are at 17.962% tax, the **HIGHEST** in the nation. Why are we doing this? Are we or are we not living on the most remote islands in the world? Please remember that Hawai'i's TAT started out in 1986 as a temporary tax at 5% to help fund the Hawai'i Convention Center. so Its original purpose has long disappeared, but we still have the tax, and it has only continued to increase through the years.

Hawai'i's tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an **unclear increase in the Transient Accommodations Tax (TAT)** will make our islands even less attractive to visitors. We can't take visitor demand for granted, as they are already choosing not to vacation to Hawai'i.

Local Businesses and Workers are suffering as I write this testimony here on Maui. Adding additional taxes should not be pushed through at this time or even considered to be added to our future calendar in Hawai'i.

With the new President of the United States systematically reorganizing our government, folks have become hesitant to spend their money with the worrying outcome of a financial collapse of our economy. Last week on 3/7/25 I know of several vacation AND hotel businesses that had their Canadian reservations cancelled due to the current administration.

While I fully support protecting the environment, Hawai'i has a history of misusing TAT funds, and 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, which can choose easily to not travel here to Hawai'i.

I urge you to oppose this bill.

Thank you for your time and consideration.

Respectfully,

Amy Ramos

Kihei Oasis Vacation Rental

HB-504-HD-2

Submitted on: 3/15/2025 2:52:37 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Edward Aranha | Individual | Oppose | Written Testimony Only |

Comments:

We've had too many setbacks in Maui lately & this bill will only add to tourists not coming to Maui. I have a place in Maui which we rent out to help with the mortgage. This bill will deter tourists which in turn will effect the economy, owners & the locals who depend on tourists.

I oppose this bill.

Regards,

Edward

HB-504-HD-2

Submitted on: 3/15/2025 2:47:42 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Gail Rodrigues | Individual | Oppose | Written Testimony Only |

Comments:

We have a place in Maui which we have to rent out to pay the mortgage. With the fires and current political uncertainty we are starting to lose revenue with less tourist coming to Maui. Another tax increase for tourist will limit the visitors to Maui and will affect our unit. We will not be able to sustain our unit if the visitors get even fewer & might lose our unit. We oppose this bill.

thank you

HB-504-HD-2

Submitted on: 3/15/2025 2:54:41 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Gail Rodrigues | Individual | Oppose | Written Testimony Only |

Comments:

As an owner who depends on tourist coming, I oppose this bill as tourists already feel taxes are too high & will stop coming to Maui.

thank you

gail

HB-504-HD-2

Submitted on: 3/15/2025 3:01:05 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Steven Bartel | Individual | Oppose | Written Testimony Only |

Comments:

Steve Bartel

2560 Kekaa Dr. #B303
bartel.steve@gmail.com

March 15, 2025

Hawaii State Legislature
RE: Opposition to HB 504 HD2 – Increased Tourism Taxes

Dear Hawaii State Legislature and Maui County Council:

I am writing to express my strong opposition to HB 504 HD2, which proposes an increase in the Transient Accommodations Tax (TAT) and a new \$20 per night fee on loyalty stays. These tax hikes will have significant negative consequences on Hawaii’s economy, tourism industry, and local businesses that depend on visitor spending.

Hawaii’s economy is deeply intertwined with tourism, and increasing the cost of visiting our islands will have unintended yet damaging effects. Higher costs will deter travelers, making Hawaii less competitive compared to other destinations. In an era where consumers have many vacation options, pricing Hawaii out of reach will lead to decreased visitor arrivals, lower hotel occupancy, and reduced spending at local businesses.

The economic impact of these tax increases will ripple through the community. Hotels, restaurants, tour operators, and small businesses—many of which are locally owned—will suffer from reduced revenue. This, in turn, threatens jobs and livelihoods for Hawaii residents who rely on tourism-related employment. Given the current economic uncertainty, now is not the time to impose new financial burdens that could stifle recovery and growth.

Furthermore, the proposed \$20 per night fee on loyalty stays unfairly penalizes repeat visitors who have chosen to commit to Hawaii as their preferred destination. Loyalty programs encourage return guests, fostering long-term tourism sustainability. Discouraging repeat visits contradicts the state’s goal of building a responsible and resilient visitor industry.

I urge the committee to reject HB 504 HD2 and instead seek solutions that support, rather than undermine, Hawaii's economic stability. Sustainable tourism policies should balance visitor contributions with economic viability, ensuring that both residents and businesses benefit from a thriving industry.

Thank you for your time and consideration.

Sincerely,
Steve Bartel

HB-504-HD-2

Submitted on: 3/15/2025 3:56:52 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Pamela Polland | Individual | Oppose | Written Testimony Only |

Comments:

How can this be called an "environmental Bill"? This Bill will negatively effect ALL aspects of life in Hawai'i by imposing a tax so hefty, it will deter visitors and ruin our fragile economy. Please KILL THIS BILL immediately.

Mahalo.

HB-504-HD-2

Submitted on: 3/15/2025 4:15:22 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

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

Comments:

I support this measure. Polling results have shown that visitors are willing to contribute in this way to minimize their impact during their stay. There's so much need for funding for our conservation organizations that do the vital work of protecting our natural ecosystem and these funding mechanisms are a viable way to fill this gap.

HB-504-HD-2

Submitted on: 3/15/2025 4:36:31 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Joanne Cavallaro | Individual | Oppose | Written Testimony Only |

Comments:

The Honorable Lynn DeCoite, Chair and

Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and

Members of the Committee on Water and Land

Hawaii State Legislature

State Senate

415 S. Beretania Street, Rm. #229

March 18, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Joanne Cavallaro, and I am a resident of Maui. I own a rental property that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in strong

opposition to HB 504 HD2 because it threatens the economic foundation that supports my family, my employees, and many others in our community.

AT THIS TIME visitors must pay a combined tax of close to 18.5% for nightly accommodations. THIS IS TAXATION WITHOUT REPRESENTATION. A few years ago you added a surcharge of 3% to Muai vacationers. Where does this money go? When will it ever be enough? When will the beurocracy end?

I truly feel at this time that the Hawaiian Government no longer cares about the individuals that work and live on this island. At every step you put up another wall that they must hurdle over. Stop thinking taxes are the problem. Fix what is corrupt in the system.

Hawaii's tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an unclear increase in the Transient Accommodations Tax (TAT) will make our islands even less attractive to visitors. We can't take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a rental operator, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce employee hours or raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to TAKE RESPONSIBILITY and oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

Joanne Cavallaro

HB-504-HD-2

Submitted on: 3/15/2025 6:03:48 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|-------------------|--------------|--------------------|------------------------|
| Maurice Schreiber | Individual | Oppose | Written Testimony Only |

Comments:

I oppose this bill for the reason's listed below. Our Tourism will start looking for less expesvice options, we are already going to leve a 1% TA Taxed in 2026.

1. Increased Tax Burden Will Harm Hawaii’s Tourism Competitiveness

Hawaii already has one of the highest visitor tax burdens in the U.S. Raising the Transient Accommodations Tax (TAT) and adding new fees, such as the \$20/night charge on loyalty-based stays, will make Hawaii less competitive compared to other travel destinations.

This could discourage repeat visitors and drive travelers to more affordable destinations, resulting in a decline in tourism.

2. Vulnerable Economic Position Due to External Factors

The tourism industry is sensitive to global economic pressures such as rising fuel costs, inflation, and geopolitical instability. Adding further costs at a time of economic uncertainty may drive away tourists.

With competition from other destinations intensifying, higher taxes could discourage visitors at a critical time when tourism revenue is still recovering post-pandemic.

3. The Bond Could Create Long-Term Fiscal Risk

The bill proposes the creation of a Reimbursable General Obligation Bond Debt Service Special Fund, which adds state debt that must be repaid with interest.

If tourism revenues decline or fail to meet expectations, this could lead to a burden on state finances and potentially force higher taxes or reductions in other essential services.

4. Additional Taxation Threatens Local Businesses

Small businesses and rental property owners depend on tourism for income. Higher taxes and fees directly harm the economic sustainability of local businesses, including those offering accommodations, tours, dining, and retail services.

A reduction in visitor spending could lead to job losses, reduced wages, and higher prices for local consumers, affecting the broader Hawaii economy.

5. Lack of Transparency and Oversight of Fund Allocation

There is no clear mechanism in the bill to ensure that newly collected funds will be used for environmental stewardship as promised. Hawaii has a history of misallocated tourism-related tax revenues, which raises concerns that these new taxes may not effectively address environmental needs.

Before introducing new tax burdens, the state should conduct a thorough audit of existing TAT revenues and ensure that current funds are being used efficiently.

6. Bond Financing is Not a Sustainable Solution

Relying on bonds for long-term environmental funding is not a sustainable solution. Bonds provide an initial influx of money but must be repaid, creating future financial obligations for the state.

This creates fiscal uncertainty and may lead to further tax increases in the future, increasing the strain on the tourism economy.

7. The Bill Adds Complexity to an Already Over-Regulated Industry

Hawaii's tourism and hospitality sectors are already subject to numerous taxes and regulations. The additional costs and complexities created by this bill could burden small property owners and local tourism-related businesses, making it more difficult to compete in a global market.

HB-504-HD-2

Submitted on: 3/15/2025 6:22:05 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| tim collier | Individual | Oppose | Written Testimony Only |

Comments:

I, Tim Collier, own a small condo at the Kalama Terrace, Kihei, Maui.. My wife and I bought the condo, refinished it, and hope to retire there in a few years. In the meantime, it is essential that we have affordable rates for our guests. Our renters are much more likely to go into town and conduct business with the local community, than say tourists who stay at a large resort. I strongly oppose bill HB 504, as it would increase rental fees and force us to raise our prices, losing numerous clients.

Thank you, Tim Collier

HB-504-HD-2

Submitted on: 3/15/2025 6:32:11 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| robert knourek | Individual | Oppose | Written Testimony Only |

Comments:

Already too many little fees and taxes. And what for? What will be done with the monies?

HB-504-HD-2

Submitted on: 3/15/2025 6:33:10 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Judy McReynolds | Individual | Oppose | Written Testimony Only |

Comments:

The Honorable Lynn DeCoite, Chair and

Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and

Members of the Committee on Water and Land

Hawaii State Legislature

State Senate

415 S. Beretania Street, Rm. #229

March 18, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is **Judy McReynolds**

, and **I am a resident of Maui** . I own a home that when I'm in Ca with my daughter I need to rent to be able to keep and afford Yeah that directly relies on a healthy and sustainable tourism

economy. I am submitting testimony in **strong opposition to HB 504 HD2** because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Between Covid, the fires, the short term rental problems, the laws you're trying to pass it's quite obvious that you're wanting to push out anyone who is not natively born to Hawaii. It is not fair. I am part Native American and was pushed out of my land in The main land Missouri to be exact my grandmother came here as a young girl and had a small home and now I am trying to here as she did, but you are forcing me out of my home I cannot afford to live here and pay my bills because I need to go back to take care of my 85-year-old mother in California now that my father has died so when I am not here in order to pay my my mortgage, I have to rent it out and you are stopping people from coming here I will most likely due to the high cost of insurance due to the high cost of HOA due to all of the taxes, not be able to keep my home as I had hoped I would as my grandmother did

Hawaii's tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an **unclear increase in the Transient Accommodations Tax (TAT)** will make our islands even less attractive to visitors. We can't take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 as a **rental person**, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce employee hours or raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

Judy McReynolds

[SUBMIT TESTIMONY](#)

HB-504-HD-2

Submitted on: 3/15/2025 7:18:07 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

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

Comments:

NO on additional fees to discourage visitor bookings! Travelers have many choices and they don't appreciate being nickel and dimed like this. We already have one of the highest visitor tax rates and our visitor industry already is not in the greatest shape. There are endless worthy causes that seek funding, but not at the expense of the lifeblood of the Islands!

Dear Chairs and Members,

My name is **Mary Pedretti** , and **I am a resident of Maui**. I own one **rental property** that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in **strong opposition to HB 504 HD2** because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Hawaii's tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an **unclear increase in the Transient Accommodations Tax (TAT)** will make our islands even less attractive to visitors. We can't take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a **owner of 1 rental unit**, I rely on steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce our employee hours.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,
Mary Pedretti

HB-504-HD-2

Submitted on: 3/15/2025 7:53:05 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Koshu Madnani | Individual | Oppose | Written Testimony Only |

Comments:

HB504 HD2 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.

Key Concerns:

- Higher Costs for Tourists: Increased taxes will make Hawaii less competitive and reduce tourism
- Economic Impact: Local businesses and workers who depend on tourism income will be hit hard in this time of economic uncertainty

HB-504-HD-2

Submitted on: 3/15/2025 8:05:17 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| joseph simpliciano | Individual | Support | Written Testimony Only |

Comments:



HB-504-HD-2

Submitted on: 3/15/2025 8:16:20 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Dr Marion Ceruti | Individual | Oppose | Written Testimony Only |

Comments:

Vote NO on HB504. Rather than raise taxes, delete spending on useless items and activities and manage the existing revenue better. Tourists are already taxed enough. We want Hawai'i to be competitive. Tourists will choose more inexpensive destinations. This bill will hurt local businesses that depend on the tourist industry. As a resident of Maui, I would like to vacation in Hawai'i but it is so expensive, I select other destinations. Please, kokua, vote NO on HB504.

HB-504-HD-2

Submitted on: 3/15/2025 9:08:35 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Ronald Catellier | Individual | Oppose | Written Testimony Only |

Comments:

Dear Chairs and Members,

My name is Ronald Catellier. I own a rental property in Kihei, Maui, HI, that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in strong opposition to HB 504 HD2 because it threatens the economic foundation that supports my family, and many others in our community.

Hawaii’s tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an unclear increase in the Transient Accommodations Tax (TAT) will make our islands even less attractive to visitors. We can’t take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a rental operator, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

Ronald Catellier

HB-504-HD-2

Submitted on: 3/15/2025 10:58:43 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|----------------------|---------------------|---------------------------|---------------------------|
| snow2136@netzero.net | Individual | Oppose | Written Testimony Only |

Comments:

Dear State Senators,

My family and I strongly oppose this additional daily \$20 tourist accommodation tax. It is another cost that will drive tourists away from Hawaii to cheaper closer alternatives like Mexico and the Carribean. Tourism dollars are a big part of the Hawaiian economy and if you drive tourists away then you drive a large source of revenue from helping local businesses and supporting families locally to live. Already the consumer confidence is low and reported in the news today with increased prices from basics of food, clothing and gas to large ticket items that they are spending less and less month over month since the large tariffs have driven up prices. Airlines are already reporting travel is being cut back as we approach the summer season and the extra \$20 will drive tourists away as well. Plus it is not clear how the DNLR of Hawaii would even account for the use of the extra money if it is collected. Againg we strongly oppose the additional tourism accommodation tax.

Thank you,

Jane Moy and family

HB-504-HD-2

Submitted on: 3/15/2025 11:13:23 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------|--------------|--------------------|------------------------|
| Robert Oswald | Individual | Oppose | Written Testimony Only |

Comments:

Honorable Lynn DeCoite, Chair, Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and Members of the Committee on Water and Land

Hawai'i State Legislature

March 15, 2025

OPPOSITION TO HB504 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 HB 504 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 somethng, 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. HB 504 HD2 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

HB-504-HD-2

Submitted on: 3/15/2025 11:18:18 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Meetay Moonay | Individual | Oppose | Written Testimony Only |

Comments:

Scare away the tourists??!?!?!??

Wait, we NEED the tourists.

Hawaiian Kanaka people will lose their livelihood.

STOP killing our livelihood!!!

HB-504-HD-2

Submitted on: 3/16/2025 6:13:15 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Nancy Noll | Individual | Oppose | Written Testimony Only |

Comments:

Dear Senators,

Please vote NO on another tax burden/Bond on tourists, but most likely, will be another tax burden on local citizens/businesses. The tourism industry is already over-taxed and over-regulated. Also, the bond states that the allocation of funds goes to "Certain Environmental Stewardship Projects". HOW VAGUE CAN YOU GET? This Bond is wide-open for "Misappropriation of funds". Please vote NO.

The Honorable Lynn DeCoite, Chair and
Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and
Members of the Committee on Water and Land

Hawaii State Legislature
State Senate
415 S. Beretania Street, Rm. #229

March 16, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Bonnie Geers and I own a rental property on the island of Maui that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in **strong opposition to HB 504 HD2** because it threatens the economic foundation that supports my family, my local vendors, and many others in our community.

Hawaii's tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an **unclear increase in the Transient Accommodations Tax (TAT)** will make our islands even less attractive to visitors. We can't take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a rental operator, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce hours for my local vendors or raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,
Bonnie Geers

The Honorable Lynn DeCoite, Chair and
Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and
Members of the Committee on Water and Land

Hawaii State Legislature
State Senate
415 S. Beretania Street, Rm. #229

March 16, 2025

OPPOSITION TO HB504 HD2

I am writing to express my strong opposition to HB504 HD2. As Canadian citizens and proud property owners of a unit at Papakea, in Lahaina, we have been fortunate to visit and appreciate the natural beauty, cultural richness, and warm hospitality that Maui has to offer. However, this bill threatens to impose significant economic harm on the island by restricting access to vacation rentals, thereby discouraging tourism—the lifeblood of Maui’s economy.

Maui is already an expensive destination for visitors, and implementing additional restrictions on vacation rentals will further drive up costs, making it even less accessible to travelers. Many visitors, including ourselves, choose Maui because of the availability of vacation rentals that provide a home-like experience and offer cost-effective alternatives to hotels. Limiting these options will push potential visitors to other destinations where accommodations are more affordable and accessible.

The economic impact of such a decision cannot be ignored. Tourism sustains local businesses, from restaurants to tour operators, and supports thousands of jobs. Reducing the availability of vacation rentals will not only decrease visitor numbers but also hurt small businesses that rely on consistent tourism revenue. Moreover, this will lead to lower tax revenues for the county and state, which could negatively affect public services and infrastructure improvements.

As property owners, we are also concerned about the impact on our ability to contribute to the local economy. We employ local services for property maintenance, housekeeping, and other essential needs, all of which provide jobs to residents. By restricting vacation rentals, HB504 HD2 will inadvertently harm those who depend on this industry for their livelihoods.

We urge you to reconsider the long-term effects of this bill and explore alternative solutions that balance community concerns with the economic well-being of Maui. Instead of imposing severe restrictions, policies should be implemented to regulate and ensure responsible short-term rentals while still allowing for a thriving tourism sector.

Thank you for your time and consideration. I respectfully urge you to vote against HB504 HD2 for the sake of Maui’s economy and the many people who rely on tourism for their livelihood.

Sincerely,
Sonia McLeod

HB-504-HD-2

Submitted on: 3/16/2025 6:50:52 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|------------------------|---------------------|---------------------------|---------------------------|
| Allison Kaye Budvarson | Individual | Oppose | Written Testimony Only |

Comments:

Please do not make it more expensive for families to visit and enjoy the beautiful island of Maui. So many taxes on rentals make visiting the island available only to the wealthy.

HB-504-HD-2

Submitted on: 3/16/2025 7:04:51 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Sean Graham | Individual | Oppose | Written Testimony Only |

Comments:

Opposed.

HB-504-HD-2

Submitted on: 3/16/2025 7:23:40 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| George Fulton | Individual | Oppose | Written Testimony Only |

Comments:

I've been an owner at Maui Kamaole condos since 2004. I'm not going to submit the usual anti bill testimony but just want to make an observation I have noticed in the last year.

tourists I have known for years are declining to come to Maui because it is too expensive. They are choosing instead to go to Europe because it is cheaper. Each one of them and they are about 6 I know personally, live on the west coast.
if this trend continues, and taxes are a big part of the cost, it will end Maui tourism as we know it.

one other thing, our property taxes have increased from \$5000 to \$14000 the past two years. It has literally eaten up any profits we used to have. As Justice Marshall said "the power to tax is the power to destroy ". You have succeeded.

HB-504-HD-2

Submitted on: 3/16/2025 7:26:05 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| gail a nagasako | Individual | Oppose | Written Testimony Only |

Comments:

I have owned and operated a permitted B & B since 2013 and have watched my taxes go up and up to about 17%. Meanwhile there are countless unpermitted B & Bs and TVRs paying zero taxes. Instead of raising taxes on the folks who are already on your tax base team, why not spend some of that tax money going after the illegal folks.

Aloha,

Gail

HB-504-HD-2

Submitted on: 3/16/2025 7:31:25 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Leimomi Khan | Individual | Oppose | Written Testimony Only |

Comments:

Oppose.

I am a retiree on fixed income who belongs to several nonprofit organizations. While, I support the need for dedicated funding for environmental stewardship and protection of Hawai'i's biocultural resources, I do not support the proposed transient accommodation tax (TAT). I am concerned about how this increase will impact on our local residents who travel for medical care or for vacation, and on local nonprofit organizations who hold conferences and conventions in hotels for their members...the majority of whom are local residents. As is, we are struggling to find reasonably priced accommodations with convention facilities.

Points, miles, or other amounts provided through a membership, loyalty, or rewards program help us to mitigate the high cost of accommodations. Adding a tax adversely impacts on the benefits of such programs.

HB-504-HD-2

Submitted on: 3/16/2025 7:42:14 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

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

Comments:

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

I own a rental property that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in strong opposition to HB 504 HD2 because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Hawaii’s tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an unclear increase in the Transient Accommodations Tax (TAT) will make our islands even less attractive to visitors. We can’t take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a rental property owner, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce employee hours or raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

Betty

HB-504-HD-2

Submitted on: 3/16/2025 8:29:11 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------|--------------|--------------------|------------------------|
| Carol Carolan | Individual | Oppose | Written Testimony Only |

Comments:

My name is Carol Carolan and I own a small rental property in Honokowai that depends on a robust tourism economy. I am submitting testimony in **strong opposition to HB 504 HD2** because it threatens the economic foundation that helps to support my family, my employees, and many others in our community.

Hawaii’s tourism is already facing significant challenges. You can virtually read on a daily basis, visitors’ complaints about the high cost of visiting the islands, claiming they will travel elsewhere. Rising airfares, inflation, high hotel costs with ever escalating fees, high taxes, economic uncertainty, etc. all threaten healthy tourism to the islands. Introducing a new \$20 per night charge on rewards-based stays and an **unclear increase in the Transient Accommodations Tax (TAT)** will make our islands even less attractive to visitors. We can’t take visitor demand for granted—many other destinations are competing for the same travelers.

Obviously, Hawaii’s visitors support our restaurants, tourism activities, retail shops, and transportation services, not to mention all the support services such as cleaning staff, maintenance workers, etc. If fewer visitors travel to the islands or they spend less because of higher costs, local jobs and incomes are directly affected.

All tax revenue should be transparent and, of course, well managed. With all due respect, Hawaii has a history of misusing TAT funds, diverting money from its intended purposes. The state should audit existing TAT funds to ensure their correct use before adding new financial burdens on visitors. HB 504 HD2 threatens tourism at a time when we can least afford it.

Please oppose this bill and focus on finding responsible funding solutions that won’t harm our economy.

Sincerely,

Carol Carolan

HB-504-HD-2

Submitted on: 3/16/2025 8:45:37 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Rosanna M Lucero | Individual | Oppose | Written Testimony Only |

Comments:

To: The Honorable Lynn DeCoite, Chair and Members of the Committee on Economic Development and Tourism, The Honorable Lorraine R. Inouye, Chair, and Members of the Committee on Water and Land

Hawaii State Legislature

State Senate

415 S. Beretania Street, Rm. #229

March 16, 2025

Subject: OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Rosanna M. Lucero and my husband Jeffery L. Lucero and I own two condominium rental properties that directly rely on a healthy and sustainable tourism economy. We are submitting testimony in strong opposition to HB 504 HD2 because it threatens the economic foundation that supports our family, our property manager and staff, and countless others in the community.

Hawaii’s tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an unclear increase in the Transient Accommodations Tax (TAT) will make our islands even less attractive to visitors. We should not take visitor demand for granted—many other destinations are competing for the same travelers. Visitors will choose to vacation elsewhere if costs continue to rise

Local Businesses and Workers Will Suffer

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 a vacation rental owner of 2 condos, we rely on a steady flow of visitors. If this bill passes, we could see fewer bookings, which might force us to reduce our property management workforce and raise rates for returning guests and new clientele.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your consideration in this very important matter.

Regards,

Rosanna M. Lucero and Jeffery L. Lucero

HB-504-HD-2

Submitted on: 3/16/2025 9:01:50 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Melissa Barker | Individual | Support | Written Testimony Only |

Comments:

Honorable Members,

I am writing to respectfully ask that you support HB504 which increases the transient accomodation tax for DLNR environmental stewardship.

Thank you for your attention and consideration.

Melissa Barker

Kapaa, HI

The Honorable Lynn DeCoite, Chair and
Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and
Members of the Committee on Water and Land

Hawaii State Legislature
State Senate
415 S. Beretania Street, Rm. #229

March 16, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Lyndon Ibele. I own a short-term rental on Maui that directly relies on a healthy tourism economy. I strongly oppose HB 504 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 Transient Accommodations Tax (TAT). 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!

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't further harm the Maui economy.

Thank you for your time and consideration.

Respectfully,



HB-504-HD-2

Submitted on: 3/16/2025 9:26:08 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|----------------------|--------------|--------------------|---------------------------|
| ALEXANDER KAMINER | Individual | Oppose | Written Testimony Only |

Comments:

Aloha kakou,

I am writing to you not just as a concerned citizen, but as a local resident who works in the real estate and property management industry here in Hawaii. Every day, I see firsthand how much our economy relies on tourism and how fragile that industry can be. HB504 HD2, with its proposed increase in the transient accommodations tax (TAT) and additional fees on accommodations through rewards programs, threatens to make things even harder for those of us who make a living in this sector.

I take great pride in my work, helping to maintain and manage properties that serve both residents and visitors. The success of our industry directly affects the livelihoods of so many local workers—from hotel staff to maintenance crews, from realtors to small business owners who depend on visitor spending. When we start pricing people out of visiting our islands, we aren't just hurting big hotels—we're hurting local families who rely on this income to survive.

The additional \$20 per night tax on accommodations obtained through rewards programs feels especially unfair. Many visitors save up points to afford a trip here, and this extra fee could push them to choose other destinations instead. We're already facing increased costs of living, higher property taxes, and inflation—why add another financial barrier that discourages visitors from coming and spending their money in our local economy?

I understand the need to invest in environmental stewardship. We all want to protect our islands and preserve their beauty for future generations. But there are better ways to fund these efforts without placing more strain on an already struggling industry. Instead of adding more taxes, why not look into better financial management of the resources we already have? Why not encourage investment in sustainable tourism practices that don't drive visitors away?

As a local worker who depends on a healthy tourism industry, I strongly urge you to vote against HB504 HD2. I would love the opportunity to share more insights on how this bill could impact our community and discuss alternative ways to achieve sustainability without hurting local businesses.

Thank you for your time and for representing the interests of the people of Hawaii. I hope you will consider the real impact this bill could have on local families like mine.

Mahalo piha,

Alexander Kaminer

HB-504-HD-2

Submitted on: 3/16/2025 9:32:24 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Arthur J Sullivan | Individual | Oppose | Written Testimony Only |

Comments:

Good afternoon.

I am in opposition of HB504 HD2. It unfairly taxes a portion of the population, increases the cost to tourists to travel to Hawaii, which will have a negative effect on all the businesses that rely on tourism for their survival.

Thank you.

HB-504-HD-2

Submitted on: 3/16/2025 9:58:09 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Philip Robertson | Individual | Oppose | Written Testimony Only |

Comments:

Do we have to continue to tax individuals that want to spend money in Hawaii? There are less expensive places to go to. Why make the consumer go there? I know there has been dismay and don't take it out on long timers like myself who value the islands and do our part. Some circumstances I. The past was beyond our control. Please do the research before condemning the island.

HB-504-HD-2

Submitted on: 3/16/2025 10:21:16 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Liz Lees | Individual | Oppose | Written Testimony Only |

Comments:

I oppose this bill as written. It does not specify the amount to be collected as additional tax and the "loyalty" fee will be difficult and expensive to track and collect. It also does not specify how the money will be spent. Many of Hawaii's small business owners and workers depend on tourism and Hawaii tourism is currently down without the addition of more taxes.

The Honorable Lynn DeCoite, Chair and Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R Inouye, Chair and Members on Water and Land

Hawaii State Legislature
State Senate
415 S Beretania Street, Rm . #229

March 18, 2025

Dear Chairs and Members,

My name is James Sanford and I am a resident of Maui. I own a rental property that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in **strong opposition to HB 504 HD2** because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Hawaii's tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an **unclear increase in the Transient Accommodations Tax (TAT)** will make our islands even less attractive to visitors. We can't take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a rental property owner, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce employee hours or raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,
James E Sanford

HB-504-HD-2

Submitted on: 3/16/2025 10:46:50 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Benjamin Narwold | Individual | Support | Written Testimony Only |

Comments:

Testimony in Support of HB504 HD2

Senate Committee on Economic Development and Tourism

Senate Committee on Water and Land

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

My name is Benjamin Narwold and I am submitting written testimony in strong support of HB504, 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.

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,

Benjamin Narwold, Kapaa, HI

HB-504-HD-2

Submitted on: 3/16/2025 10:59:32 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Hannah Thompson | Individual | Support | Written Testimony Only |

Comments:

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

My name is Hannah Thompson and I am submitting written testimony in strong support of HB504, 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 live on Oahu and have seen the impacts (both positive and negative) that tourism has on this island. I believe that the current form of tourism in Hawaii is extremely extractive, putting extreme pressure on our ecosystems and people. The environmental stewardship fee will help to minimize these impacts and help us to maintain our beautiful home.

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. In addition, there are many nonprofits already doing vital work to preserve and maintain our natural resources. With uncertainty in future federal funding, our local stewardship groups need our support more than ever. The stewardship fee would help to support this vital work, and make Hawaii more resilient to administration changes.

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.

HB-504-HD-2

Submitted on: 3/16/2025 11:05:29 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| yvette Morgen | Individual | Oppose | Written Testimony Only |

Comments:

I OPPOSE

HB-504-HD-2

Submitted on: 3/16/2025 11:05:30 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Deb Price | Individual | Oppose | Written Testimony Only |

Comments:

Tourism is Hawaii's main economic driver, without tourism this bill will further decrease employment here on Maui. The population is dwindling here because of the lack of support for the entire community. With lack of population, 2nd homes, STR's, and tourists, Dr.'s and nurses won't even want to move here, you'll have a Dr. and nurse's crisis like what exists now on Molokai. LA went thru a devastating fire, thousands of homes lost, they're already advertising to come visit LA.. They are smart enough to know who will support their economy, when their population can not. The residents here in Hawaii can't support the economy here especially on Maui, with extremely low property taxes for residences, the residents here rely on tourism to subsidize their every day life, take away tourism, which also fund Maui County's payroll and 401k's, you will further destroy this barely surviving economy. Use tax money wisely don't waste it, do not drive tourists to go elsewhere.. every park/beach here already has parking fees.. stop the tax to death attitude

HB-504-HD-2

Submitted on: 3/16/2025 11:13:21 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Ann Tien | Individual | Oppose | Written Testimony Only |

Comments:

I opposed . The cost is too high already for visitors making Hawai'i not affordable for travel.

HB-504-HD-2

Submitted on: 3/16/2025 11:30:19 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Jolanta Frazier | Individual | Oppose | Written Testimony Only |

Comments:

The Honorable Lynn DeCoite, Chair and

Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and

Members of the Committee on Water and Land

Hawaii State Legislature

State Senate

415 S. Beretania Street, Rm. #229

March 16, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Jolanta Frazier, and I am a resident of Maui. As the IC of Coldwell Banker Island Properties, I am deeply concerned about the deteriorating economic conditions in Hawaii's tourism industry and am strongly opposed to HB 504 HD2. This bill will significantly accelerate our market decline and devastate the economic stability that my family, my co-workers, and our countless community members depend upon.

The tourism industry, Maui's and Hawaii's economic backbone, is already under severe stress. Fires, rising airfares, persistent inflation, and broader economic uncertainty are discouraging visitors. Implementing an additional \$20 per night fee on rewards-based stays and imposing unclear increases to the Transient Accommodations Tax (TAT) will further erode Hawaii's competitiveness as a travel destination! Visitors have numerous alternative destinations, and this bill will drive them elsewhere, leading to a potentially irreversible downturn.

Impact on Local Businesses and Jobs Reduced Visitor Traffic will immediately impact local businesses such as restaurants, tour operators, transportation services, and retail stores. Lower visitor spending means declining revenues, potential closures, layoffs, and reduced working hours. As a IC, I am already experiencing decreased clients, and further financial burdens like those proposed in HB 504 HD2 could force everyone to suffer, cut jobs, or increase prices—actions that would only accelerate our economic decline.

Lack of Accountability and Mismanagement Although environmental protection initiatives are important, Hawaii's historical mismanagement of TAT funds raises serious concerns about transparency and accountability. Before imposing new taxes and charges that damage our already struggling economy, the state must responsibly manage existing revenues and demonstrate fiscal accountability. Adding further taxes without thorough audits or oversight is both irresponsible and economically destructive.

Hawaii's economy urgently needs sustainable, responsible, and transparent approaches—not additional burdens that exacerbate economic decline. HB 504 HD2 is precisely the type of policy that will irreparably damage our tourism-dependent economy during a vulnerable period!!

I strongly urge you to reject HB 504 HD2 and instead prioritize economically viable, transparent funding solutions that protect both our environment and economic health!

Mahalo for your careful consideration.

Mahalo,

Jolanta Frazier,

Kihei, Maui. Hawaii.

HB-504-HD-2

Submitted on: 3/16/2025 11:35:59 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Laurie Zimmerman | Individual | Oppose | Written Testimony Only |

Comments:

Please do not increase TAT at this time. Enough already..give us some time to heal and regroup please

HB-504-HD-2

Submitted on: 3/16/2025 11:37:30 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Jill Fletcher | Individual | Oppose | Written Testimony Only |

Comments:

Aloha,

I strongly oppose HB504 HD2 as Maui is driving too many tourists away with the ongoing and increasing transient taxes. Clearly people are getting tired of the high costs of traveling to Maui and many are instead going to Mexico and other sunny destinations that don't impose such high and multiple taxes. I'm very afraid for locals on Maui who rely on tourism for their income as they have been hurting already with the reduced tourism and hence reduced work for these locals.

Mahalo, Jill Fletcher

HB-504-HD-2

Submitted on: 3/16/2025 11:48:28 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Stephen Llorens | Individual | Oppose | Written Testimony Only |

Comments:

I oppose this bill as additional taxation threatens local businesses. As a rental property owner I depend on and support local businesses for various services: pest control, HVAC, plumbing, housekeeping, furnishings, etc. Higher taxes and fees will directly harm the economic sustainability of these local businesses. A reduction in visitor spending could lead to job losses and reduction in wages for the employees of the local business affected.

HB-504-HD-2

Submitted on: 3/16/2025 11:50:59 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Karan Marsh | Individual | Oppose | Written Testimony Only |

Comments:

We are opposed to any legislation harming our guests financially wanting to experience any part of the Hawaiian Islands, Those include our international guests and those of our neighboring states.

Please vote against this damaging measure.

Mahalo

Karan and Steve Marsh

HB-504-HD-2

Submitted on: 3/16/2025 11:52:51 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| ROBERT Y CHUNG | Individual | Oppose | Written Testimony Only |

Comments:

At a time when Hawaii is suffering from lack of tourists, this sends the wrong message. Why not wait until better times to enact? TAT is high already.

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Ann Sarna and I own a small rental property] that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in **strong opposition to HB 504 HD2** because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Hawaii's tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an **unclear increase in the Transient Accommodations Tax (TAT)** will make our islands even less attractive to visitors. We can't take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Canadian Tourism to Hawaii is dropping off due to the tariff war between the US and Canada. Canadians already are dealing with their currency being unfavorable to the US dollar, so why would we further tax them. We need to find ways to attract tourists vs giving them another reason for them to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a small rental operator, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which will force me to reduce employee hours or raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Sincerely,

Ann Sarna

HB-504-HD-2

Submitted on: 3/16/2025 12:07:32 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Kevin Faccenda | Individual | Support | Written Testimony Only |

Comments:

I support this measure to increase taxes on tourists to finance environmental conservation.

Thank you for your consideration,

Kevin Faccenda, Honolulu

HB-504-HD-2

Submitted on: 3/16/2025 12:15:13 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Roxann Therrien | Individual | Oppose | Written Testimony Only |

Comments:

I oppose, to many taxes.

HB-504-HD-2

Submitted on: 3/16/2025 12:35:42 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Michael E.Krupnick | Individual | Oppose | Written Testimony Only |

Comments:

I oppose

HB-504-HD-2

Submitted on: 3/16/2025 12:39:03 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| jeff geers | Individual | Oppose | Written Testimony Only |

Comments:

Dear Chairs DeCoite and Inouye, and Committee Members:

I am writing to strongly oppose HB 504 HD2. Hawaii's tourism is vulnerable to rising global costs and competes with other potentially less expensive vacation destinations, where some visitors have already chosen over Hawaii. The proposed higher TAT tax will hurt local businesses and residents at a time when federal funding and resources are being cut daily. Save local jobs and support Hawaii's tourism industry by voting no to HB504 HD2.

Mahalo, Jeff Geers

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Jossef Goldberg Sarna and I own a small rental property that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in **strong opposition to HB 504 HD2** because it threatens the economic foundation that supports my family, my employees, and many others in our community. We pay a significant amount of money as tax that helps Hawaii and Maui economy.

Hawaii's tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an **unclear increase in the Transient Accommodations Tax (TAT)** will make our islands even less attractive to visitors. We can't take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Canadian Tourism to Hawaii is dropping off due to the tariff war between the US and Canada. Canadians are very angry with the US government and looking to avoid US products and services.

In addition, Canadians already are dealing with their currency being unfavorable to the US dollar, so why would we further tax them. We need to find ways to attract tourists vs giving them another reason for them to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a small rental operator, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which will force me to reduce employee hours or raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it. Our islands are already very expensive to tourists and we can already see a significant drop in tourism.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Sincerely,

Jossef Goldberg

HB-504-HD-2

Submitted on: 3/16/2025 1:06:30 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|------------------|--------------|--------------------|------------------------|
| Helena Von Sydow | Individual | Oppose | Written Testimony Only |

Comments:

Dear Sirs,

We Oppose Bill HB504

Increased Tax Burden Will Harm Hawaii’s Tourism Competitiveness

Hawaii already has one of the highest visitor tax burdens in the U.S. Raising the Transient Accommodations Tax (TAT) and introducing new fees—such as the proposed \$20 per night charge on loyalty-based stays—will make Hawaii less competitive compared to other travel destinations. This could discourage repeat visitors and push travelers toward more affordable alternatives, ultimately leading to a decline in tourism.

Burdening the Tourism Industry Will Reduce State Revenue

The proposed \$20 per night charge on loyalty-based stays to fund a special bond, places an additional financial strain on Hawaii’s already over-regulated tourism industry—the state’s primary economic driver. By increasing costs for visitors, the government risks deterring tourism altogether, which could reduce overall state income rather than boost it. This is akin to "shooting oneself in the foot" by damaging the very industry that sustains the economy.

The Bond Poses Long-Term Fiscal Risks

HB504 proposes creating a **Reimbursable General Obligation Bond Debt Service Special Fund**, which would increase state debt that must be repaid with interest. If tourism revenues decline or fail to meet projections, the state could face financial shortfalls, potentially leading to higher taxes or cuts to essential public services.

Rather than imposing additional financial burdens on visitors and businesses, Hawaii should focus on policies that support sustainable tourism and economic growth.

Thank you for your consideration

Helena von Sydow

HB-504-HD-2

Submitted on: 3/16/2025 1:09:48 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Harald von Sydow | Individual | Oppose | Written Testimony Only |

Comments:

Dear Sirs,

I oppose Bill HB504

Additional Taxation Threatens Local Businesses

Small businesses and rental property owners rely on tourism for their livelihoods. Higher taxes and fees will directly impact the economic sustainability of local businesses, including accommodations, tours, dining, and retail services. A decline in visitor spending could lead to job losses, reduced wages, and increased prices for local consumers, ultimately harming Hawaii's broader economy.

Adding Complexity to an Over-Regulated Industry

Hawaii's tourism and hospitality sectors are already burdened with extensive taxes and regulations. This bill introduces additional financial and administrative hurdles, disproportionately affecting small property owners and local tourism-related businesses. These added complexities make it even more challenging to compete in an increasingly competitive global travel market.

Thank you for your consideration

Harald von Sydow

HB-504-HD-2

Submitted on: 3/16/2025 1:11:43 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Luciana Fernandez | Individual | Oppose | Written Testimony Only |

Comments:

Dear Sirs,

I oppose Bill HB504

Burdening the Tourism Industry Will Reduce State Revenue

The proposed \$20 per night charge on loyalty-based stays to fund a special bond, places an additional financial strain on Hawaii's already over-regulated tourism industry—the state's primary economic driver. By increasing costs for visitors, the government risks deterring tourism altogether, which could reduce overall state income rather than boost it. This is akin to "shooting oneself in the foot" by damaging the very industry that sustains the economy.

Thank you for your consideration

M. Gama

HB-504-HD-2

Submitted on: 3/16/2025 1:18:56 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| Barry White | Individual | Oppose | Written Testimony Only |

Comments:

The Honorable Lynn De Coite, Chair and Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and Members of the Committee on Water and Land

Hawaii State Legislature

State Senate

415 S. Beretania Street, Rm, #229

March 17, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Barry White. I own a small business/rental property that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in **STRONG OPPOSITION TO HB 504 HD2** because it threatens the economic foundation that supports my family, the local staff and employees that support my family, and many others in our community.

Hawaii's tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an unclear increase in the Transient Accommodations Tax (TAT) will make our islands even less attractive to visitors. We cannot take visitor demand for granted --many other destinations are competing for the same travelers. If costs get too high... and they are already very high for the middle traveler visitors will choose to vacation elsewhere.

1. here in Maui, we have been seeing a huge decrease in tourism due to the Lahina fires and we have not yet recovered economically from that travesty. In addition, with the new Federal Administration putting more and more tariffs on neighboring countries, it's more likely than not our neighbors from Canada and Mexico will likely not come back to travel on the islands. Maui is very much dependent on Canadian citizens to support our local communities with their travel spending and along with other European and Asian visitors

we are likely to see a decrease in international tourism and this unwise and untimely proposal will just exacerbate the travel decisions to our islands!

LOCAL BUSINESSES AND WORKERS WILL SUFFER

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 a small business owner/rental operator, I rely on a steady flow of visitors. If this bill passes, I could see fewer guests reservations, which might force me to reduce supporting staff hours or raise prices for guests and their families.

NEW TAX REVENUE MUST BE TRANSPARENT AND WELL-MANAGED

While I fully support protecting the environment, Hawaii 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. Hawaii'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.

HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy

Thank you for your time and consideration.

Respectfully.

Barry White

HB-504-HD-2

Submitted on: 3/16/2025 1:22:11 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|-------------------------|---------------------|---------------------------|------------------------|
| Holley & Clark Richards | Individual | Oppose | Written Testimony Only |

Comments:

Dear Chairs and Members

We are Clark and Holley Richards who own a condo on Maui. We are opposed to HB504 HD2 for the following reasons;

1.Hawaii's economy is dependent on tourism. If the cost to vacation in Hawaii gets much more expensive it will force people to travel elsewhere. I believe these proposed bills send the wrong message to tourists. Please don't bite the hands that feed your economy.

2 The loss of local jobs due to a decrease in visitor is an unacceptable consequence of this proposed legislation.

I beleive it would be far better for everyone if the State would promote tourism rather than discourage it because of exhorbitant taxes and fees.

Thank you for you time and consideration.

HB-504-HD-2

Submitted on: 3/16/2025 1:31:26 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|----------------|--------------|--------------------|------------------------|
| Mary Lu Kelley | Individual | Support | Written Testimony Only |

Comments:

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

My name is Mary Lu Kelley, 40 year resident of Kauai, 96756, and I am submitting written testimony in strong support of HB504, 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 love Kauai and Hawaii and we must protect our islands now.

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. [Insert any personal connections to nonprofit groups and why their work is important for Hawai‘i.]

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.

Thank you for reviewing and passing HB504, this is urgent and needs to be done now.

Mahalo for the opportunity to testify,

HB-504-HD-2

Submitted on: 3/16/2025 1:33:43 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| Helen Cox | Individual | Support | Written Testimony Only |

Comments:

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

My name is Helen Cox from Kalaheo, Kauai, and I am submitting written testimony in strong support of HB504, 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. This bill is important not only for the residents of Hawaii to protect our natural resources, but also for our tourism industry. As someone born and raised in Hawaii, I know that if we want to protect our ‘āina for our keiki and mo`opuni, this bill is essential.

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.** As a member of Kauai Climate Action Coalition, which has engaged in native plant restoration, I recognize the importance of this addition.

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!

Helen Cox

HB-504-HD-2

Submitted on: 3/16/2025 1:45:33 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Karma Hill | Individual | Oppose | Written Testimony Only |

Comments:

As a Maui resident of 20 years who employs over 20 ppl in the tourism sector, I recognize that we must be good stewards of the land and I personally donate to many organizations that do just that. But this bill is too vague when it comes to increases in the TAT. Maui visitors are already paying nearly 18% on their accommodations tax right now on very high-priced accommodations that have not gone back to a more reasonable level since COVID reopening. Asking them to pay MORE is not the way to help bring our economy back. We need to find other ways to fund the DLNR environmental goals. For example, where does the money go from the WIKI permits system? As a business owner who uses this system regularly, I would be happy to pay more for a beach wedding permit and have it go to keeping up the beaches and island environment. Let's think more creatively than taxing our main economic source to the point of extinction.

HB-504-HD-2

Submitted on: 3/16/2025 2:11:10 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Terry Racciato | Individual | Oppose | Written Testimony Only |

Comments:

I oppose

HB-504-HD-2

Submitted on: 3/16/2025 2:25:03 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------|--------------|--------------------|------------------------|
| Sylvia Dahlby | Individual | Oppose | Written Testimony Only |

Comments:

The Honorable Lynn DeCoite, Chair and
Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and
Members of the Committee on Water and Land

Hawaii State Legislature
State Senate
415 S. Beretania Street, Rm. #229

March 18, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Sylvia Dahlby and I am a **resident of Hawaii Island**. I support a healthy and sustainable tourism economy. I am submitting testimony in **strong opposition to HB 504 HD2** because it threatens the economic foundation of many small local businesses.

Instead of continually soaking the tourists for more cash - how about looking for ways to diversify the economy and help small businesses thrive?

Hawaii’s tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an **unclear increase in the Transient Accommodations Tax (TAT)** will make our islands less attractive to visitors. We can’t take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Not to mention that the political climate is already discouraging visitors from Canada and NATO countries.

Local Businesses and Workers Will Suffer

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.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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 another UNFAIR financial burdens on visitors.

Hawaii's economy needs innovative solutions and a more a balanced approach to increasing State revenue. We need to protect our environment without making our islands too expensive for visitors or unsustainable for local businesses. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

**Respectfully,
Sylvia Dahlby**

HB-504-HD-2

Submitted on: 3/16/2025 2:44:51 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Kathren Wills | Individual | Oppose | Written Testimony Only |

Comments:

I feel these tax hikes will harm Hawaii's economy. Local business relies on Tourism income. Higher costs will make Hawaii less competitive. Every day, tourist are choosing other vacation destinations due to Increasing costs. Adding even more taxes will push tourists to choose to go elsewhere.

Local businesses are supporting their families need tourists. Taxing them more only hurts everyone.

Hawaii used to be a top destination. Now, it isn't. In fact so many sites are filled with people who no longer feel it is affordable. Others say they don't feel like the State wants them to vacation in Hawaii as no destination continues to keep raising taxes and fees like Hawaii has.

People are taking their hard earned dollars to other destinations where they feel welcomed.

This is a huge problem. Even with all of the marketing campaigns, the damage has been done. And it is only getting worse.

STR's aren't the problem. We need to find solutions to bring people back. New generations don't feel the spirit of Aloha.

I believe Hawaii is magical and spiritual. She deserves better.

I OPPOSE HB504 HD2!

Thanks,

Kathren Wills

HB-504-HD-2

Submitted on: 3/16/2025 2:58:28 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Terry Kristiansen | Individual | Oppose | Written Testimony Only |

Comments:

The economic impact of these bills on tourism will be the straw that broke the camel's back. Please reconsider adding any further costs to a recovering tourist industry. We employ two people who will lose their jobs in Hana if our B&B cannot support our farming endeavours. Starting with Covid 19, followed by the politicians' responses to the Lahaina Fire, the closure of so many businesses and the higher costs for absolutely everything have made life in the Islands extremely challenging. Please don't pass these bills and please reconsider your own salary raises as you make life harder for the citizens you represent.

HB-504-HD-2

Submitted on: 3/16/2025 2:59:02 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Marianna Scheller | Individual | Oppose | Written Testimony Only |

Comments:

This Bill will destroy tourism on Maui

HB-504-HD-2

Submitted on: 3/16/2025 3:02:28 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| David Head | Individual | Oppose | Written Testimony Only |

Comments:

I OPPOSE HB504 HD2

Hawaii needs tourists. So many people are choosing to vacation elsewhere. Fees are high, they feel the locals don't want them and everyone loses.

Local businesses rely on tourism. Workers need to pay their bills and need tourists. Higher costs only push more visitors to other destinations.

Hawaii has spent tons of money on marketing efforts to get tourist back. But there are so many sites where people don't feel wanted and feel the spirit of Aloha no longer exists.

They are choosing to take their hard earned money and go elsewhere. Why? They feel like they are being priced out of Hawaii. They feel unwanted. They feel like instead of inviting them to come, they are being pushed away.

How will the locals be able to pay their bills if there is no work? We all need to do our part to make Hawaii the paradise it once was.

Please encourage visitors and don't push them away.

I love Hawaii and the costs are only getting more and more expensive. Families should be encouraged to experience the beauty of the islands for generations to come. Just like I did many years ago.

Too much damage has already been done. It's time to look forward and oppose this bill.

Hawaii deserves better than this.

Thanks,

Dave Head

HB-504-HD-2

Submitted on: 3/16/2025 3:11:35 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Douglas Perrine | Individual | Comments | Written Testimony Only |

Comments:

This is a flawed bill. It increases the TAT, but allows that increase to go into the General Fund. It makes a one-time allocation to DLNR to sustain natural resources, but the amount of that allocation is not specified. As such, the description of this bill is misleading. It should specify that the tax increase be deposited into a special fund for environmental protection, on a permanent basis, so the DLNR will have a guaranteed source of funding for any projects it starts, without being at the mercy of the vagaries of the legislative process year after year. I will support this bill if it is re-written so the text of the bill matches its description of purpose.

HB-504-HD-2

Submitted on: 3/16/2025 3:25:27 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Aaron Sweeney | Individual | Oppose | Written Testimony Only |

Comments:

Tax is already too high. Stop overtaxing tourism is already down!

HB-504-HD-2

Submitted on: 3/16/2025 3:28:24 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Shelley Longland | Individual | Oppose | Written Testimony Only |

Comments:

To whom it may concern,

I am writing to OPPOSE any increase in Transient Accommodation Tax. The current rates are high enough and will drive further tourism from the islands.

Shelley Longland

HB-504-HD-2

Submitted on: 3/16/2025 3:56:15 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Virginia Dudden | Individual | Oppose | Written Testimony Only |

Comments:

Good Afternoon Committee Members

My testimoy is oppositionn to HB504 HD2

Hawaii has one of the highest visitor tax burdens of any state in the United States. Raising the Transient Accommodation Tax and adding more fees like the proposed \$20/night charge on loyalty-based stays will make Hawaii even more expensive and less competitive than other popular destinations. Our high visitor taxes already discourage travelers. Adding this costly new fee would drive tourists away and could ultimately result in lower overall tax revenues.

Additionally, HB504 HD2 does not provide a precise mechanism to guarantee that the newly imposed fees and the collected funds will actually be used for environmental stewardship or education. As you know, Hawaii has a long history of misallocating and sometimes misusing tourism related tax revenues.

Before adding another complicated tax, yes, fees are taxes, consider the negative impact on small property owners and local tourist-related businesses. Don't make us even less competitive in the world market; please vote against HB504.

Thank you for allowing me this time. I appreciate your consideration.

HB-504-HD-2

Submitted on: 3/16/2025 4:12:24 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Steve Harris | Individual | Oppose | Written Testimony Only |

Comments:

With the fragile economy, that Maui is dealing with now, passing this bill HB504 HD2, will further damage the economy during the rebuilding process. Maui need money from the tourism industry, to support the businesses and local residents for their livelihood. If there an increased TAT taxes you will see another drop in your main industry which is tourism and futher damage a the economy, which iMaui doesn't need or can handle now. I urge all to oppose this bill. Thankyou

HB-504-HD-2

Submitted on: 3/16/2025 4:43:17 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Jason Wong | Individual | Oppose | Written Testimony Only |

Comments:

Consistently raising TA taxes is not the solution to Maui's problems. Municipalities all across the US have used this strategy to address housing issues and all have failed. Elected officials have the responsibility of efficiently using the current tax revenue to address Maui's many issues. Raising taxes to mask policy inefficiency and failure will not fix the problems.

HB-504-HD-2

Submitted on: 3/16/2025 4:26:18 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Jill Oudil | Individual | Oppose | Written Testimony Only |

Comments:

To whom it may concern:

Maui needs the revenue and the taxes and fees are already too high to encourage tourism. Tourism supports all the local residents and it is needed for jobs and the economy.

As it is there is not enough work for the locals and this is more and more a problem. Maui needs to do things to support tourism and get vacationers back so more local people don't have to move off Maui.

Thank you for your consideration.

Cheers

HB-504-HD-2

Submitted on: 3/16/2025 4:45:44 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Marie Iding | Individual | Support | Written Testimony Only |

Comments:

Testimony in Support of HB504 HD2

Senate Committee on Economic Development and Tourism

Senate Committee on Water and Land

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

I am Dr. Marie Iding and I am submitting written testimony in strong support of HB504, 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 have been an Oahu resident since 1991. I travel back to California regularly and am shocked at the lengths people go to protect their natural environments in contrast to our lack of care and investment of resources. For at Asilomar (Monterey Coast) there is appropriate educational signage indicating what is being protected on the coast. Here, on Oahu, it seems we wait for environments to be shamefully degraded before we decide to do anything. Examples include Kaiwi Coast, Paiko Lagoon, Kaena Point. In the face of increasing federal budget cuts, we need to do more.**

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.** The Sierra Club does important advocacy work for Hawai‘i’s environment.

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.

Please do this as our environment along with our people and culture is our most valuable asset, deserving of protection and investment.

Mahalo for the opportunity to testify,

Marie Iding, PhD, MA, MFA

HB-504-HD-2

Submitted on: 3/16/2025 4:49:03 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Rowly Johnson | Individual | Oppose | Written Testimony Only |

Comments:

Aloha - Tax increases on tourism, while incremental each time, have a cumulative negative impact on Hawaiian locals and businesses. Tourism taxes are already more than most tropical destinations with many tourists preferring other countries like Mexico to Hawaii now. Particularly at a time when the federal government is implementing aggressive and xenophobic tariffs and taxes, we will scare more income away by adding this proposed increase now. Remember COVID? This source of business for Hawaiians is fragile. Please preserves Hawaiian livelihoods. Mahalo

HB-504-HD-2

Submitted on: 3/16/2025 5:22:58 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| pamela burrell | Individual | Support | Written Testimony Only |

Comments:

Aloha House members,

I strongly support HB504!

We need decision makers to understand that we cannot wait another year, ‘āina and communities need resources now.

please.

pamela burrell, Kalihiwai, Kaua'i,96754

HB-504-HD-2

Submitted on: 3/16/2025 5:32:02 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Tom Wallace | Individual | Support | Written Testimony Only |

Comments:

I am submitting written testimony in strong support of HB504, 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

The maintenance of our environment is important to visitors and local alike. If our reefs die and our ocean is brown and polluted, who's going to want to come to Hawaii? This bill will help provide needed resources to take care of our land and sea.

I am watching increased bacterial counts in our oceans, increased Coral bleachings, decrease in the populations of our fish.

Let's work together to make Hawaii be the paradise that is its potential.

Warm regards, Tom Wallace

Hawaii Kai

HB-504-HD-2

Submitted on: 3/16/2025 5:33:24 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Deborah Wallace | Individual | Support | Written Testimony Only |

Comments:

I am very strongly in support of HB 504. If there is a \$50 visitor fee for the environment visitors will be more respectful of our island because they will understand that we respect our island.

With global warming and rising seas and bleaching coral we must protect our islands. We can not and must not wait any longer!

please let us show our respect and love for the Aina now!

respectfully

Deborah Wallace

HB-504-HD-2

Submitted on: 3/16/2025 5:45:41 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Joseph Bolster | Individual | Oppose | Written Testimony Only |

Comments:

Aloha,

I am writing in opposition to the further increase in Transient Accommodation Tax. We are already taxed at the highest in the nation for visitor stays here in Hawaii even without this increase. We cannot just continue to pass the buck and expect that raising tax rates will forever be the solution to our budget problems.

Mahalo,

Joseph

HB-504-HD-2

Submitted on: 3/16/2025 5:47:27 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Vicky Poland | Individual | Oppose | Written Testimony Only |

Comments:

Aloha House Members. I wish to testify in strong opposition to HB504. This bill if passed will encourage our tourists to seek a more affordable place to visit. We already have one of the highest, if not the highest TAT tax in the nation. This will have the snowball effect by decreasing tourism revenue and severely impacting those of us with small businesses. My husband and I run a very small Licensed Bed and Breakfast on Oahu. This is our means of supplementing our retirement in this beautiful but very expensive place to live. Our property taxes have just almost doubled and now this. Our guests pay enough. Please do not pass this bill. Mahalo Vicky Poland Rainbow Inn.

HB-504-HD-2

Submitted on: 3/16/2025 5:53:25 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Tien Doan | Individual | Oppose | Written Testimony Only |

Comments:

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Tien Doan, and I am a resident of Maui and I own a vacation rental that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in strong opposition to HB 504 HD2 because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Hawaii’s tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an unclear increase in the Transient Accommodations Tax (TAT) will make our islands even less attractive to visitors. We can’t take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a small business I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce employee hours or raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

Tien Doan

HB-504-HD-2

Submitted on: 3/16/2025 5:57:10 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Pantawan Bolster | Individual | Oppose | Written Testimony Only |

Comments:

I am opposed to HB504 HD2.

HB-504-HD-2

Submitted on: 3/16/2025 6:07:49 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| arthur castonguay | Individual | Oppose | Written Testimony Only |

Comments:

Hello,

I am opposed to any increases in TAT

We have many visitors who have said they would no longer Visit Hawaii is the costs continue to rise.

With so much economic uncertainty, and travel costs increasing, many travellers are already choosing to vacation elsewhere.

We are already seeing fewer bookings the past year and further reductions will cause us to lay off some of our local staff.

Please oppose this bill

Thank you

March 18, 2025

The Honorable Lynn DeCoite, Chair and
Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and
Members of the Committee on Water and Land

Hawaii State Legislature
State Senate
415 S. Beretania Street, Rm. #229

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Michael Kastner, and my family has owned a rental apartment in Maui County for over forty years. It directly relies on a sustainable and healthy tourist economy. I am submitting this testimony in **opposition** to HB 504 HD2, because it threatens the economic foundation that supports my family, our local employees, and many others in the community that I have been a part of since childhood.

The tourism industry of Hawai'i is currently facing challenges from rising airfare, global inflation, and economic uncertainty. I fear that the introduction of a \$20 per night charge on rewards-based stays, and an unclear increase in the existing Transient Accommodations Tax (TAT), will make our islands even less inviting and attractive to visitors. Many other destinations are competing for the same travelers. If our costs become too high, visitors will choose to spend their time and money at other vacation destinations. I do not believe that visitor demand should be taken for granted.

HB 504 HD2 Will Be Harmful to Local Workers and Businesses

Tourism supports local businesses like restaurants, landscapers, 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 a rental manager and operator, I rely on a steady flow of excited visitors. If this bill passes, I foresee a good chance of fewer bookings, which might force me to reduce employee hours or raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I respectfully urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Sincerely,

Michael Kastner

Michael Kastner
mrkastner@outlook.com

HB-504-HD-2

Submitted on: 3/16/2025 8:25:41 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|----------------------|---------------------|---------------------------|---------------------------|
| Alexander Nikolaidis | Individual | Oppose | Written Testimony Only |

Comments:

I oppose

HB-504-HD-2

Submitted on: 3/16/2025 8:59:25 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|------------------------------|---------------------|---------------------------|---------------------------|
| Charles & Elizabeth Voigt | Individual | Oppose | Written Testimony Only |

Comments:

Aloha, we are writing to oppose this legislation to increase the TAT on Maui visitors. Tourism is already at a straining point. The cost to travel to Maui, compared to other destinations is making it unattractive. Travellers have other comparable but cheaper alternatives and that is what is happening right now. We can see this from the number of fewer arrivals and overnight stays. Increasing the tax will only make this problem worse. Charging TAT on reservations booked with reward miles seems like the right thing to do but raising the TAT on Transient Accommodations in general is not. Mahalo for the opportunity to testify on this important matter.

HB-504-HD-2

Submitted on: 3/16/2025 9:40:14 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Kiana Otsuka | Individual | Support | Written Testimony Only |

Comments:

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

My name is Kiana Otsuka, and I am an O‘ahu resident. I am writing in **strong support of HB 504 HD 2**, which would amend the transient accommodations tax rate beginning on 1/1/2027, beginning 1/1/2027, require a \$20 transient accommodation tax to be levied per night for each furnishing of transient accommodations in exchange for points, miles, or other amounts provided through a membership, loyalty, or rewards program, appropriate funds to DLNR for certain environmental stewardship projects and establish the Reimbursable General Obligation Bond Debt Service Special Fund.

As someone who cares strongly about our environment, it’s important to me that we invest more funding in environmental stewardship projects and that our visitors contribute a greater amount of funding for these kinds of projects. Greater investment in environmental stewardship will result in improved resilience, environmental health, and preservation of our environment for future generations.

Thank you for the opportunity to testify.

Mahalo,

Kiana Otsuka

HB-504-HD-2

Submitted on: 3/16/2025 9:51:16 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| Thomas Croly | Individual | Oppose | Written Testimony Only |

Comments:

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 gab from the State's most important industry.

It is shameful to describe this bill with talk about a \$20/night surcharge on hotel loyalty program stays, when it is primarily about raising the TAT rate yet again.

It is shameful that the State thru the DNLR has done so little to protect the environment with all the 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, that it continually raises under various different causes, then fails in addressing those concerns and never reduces the tax, is again just shameful.

It is shameful, with Hawaii already levying the highest accommodation taxes in the nation, that any consideration is being 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 shameful that anyone 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 job 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.

Please vote NO on HB504.

HB-504-HD-2

Submitted on: 3/17/2025 12:46:05 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Dr. Colleen Sutton | Individual | Oppose | Written Testimony Only |

Comments:

Aloha Chair, Vice Chair, and Committee Members,

Maui's economy heavily relies on tourism Adding an unknown percentage tax is going to make it harder to sustain the economy and the tax base.

mahalo for the opportunity to comment.

HB-504-HD-2

Submitted on: 3/17/2025 2:40:54 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Norbert Wolszon | Individual | Oppose | Written Testimony Only |

Comments:

Aloha,

I oppose this Bill in its current form and strongly encourage you to do the same.

The tourism industry is under attack. Continued increases in TA taxes, etc. are only going detour tourism. Those that do come will spend less money on things like activities, dining, souvenirs, etc. In the long run, this increase will generate less revenue, not more.

Please oppose this bill!

Mahalo for your time

HB-504-HD-2

Submitted on: 3/17/2025 2:55:56 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Andrew Oakeson | Individual | Oppose | Written Testimony Only |

Comments:

Dear Chairs DeCoite, Inouye, and Committee Members,

I strongly oppose HB 504, HD2. Maui's economy is already struggling, and this additional tax will further deter visitors. Local businesses and tourism are still recovering—this is the wrong time for added financial burdens.

Please reject this bill.

Sincerely,

Andrew Oakeson

HB-504-HD-2

Submitted on: 3/17/2025 3:07:59 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Volker Joehnk | Individual | Oppose | Written Testimony Only |

Comments:

March 17, 2024

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Volker Joehnk, and I am a resident of Maui. I own a small rental property business that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in strong opposition to HB 504 HD2 because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Hawaii’s tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an unclear increase in the Transient Accommodations Tax (TAT) will make our islands even less attractive to visitors. We can’t take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a small business owner, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce employee hours or raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

Volker Joehnk

Enterprise Hawaii LLC

HB-504-HD-2

Submitted on: 3/17/2025 3:32:08 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| DIANA BRAY | Individual | Oppose | Written Testimony Only |

Comments:

This is a completely unfair tax and should be considered the solution to the problem!

Please stop unfairly taxing us!

HB-504-HD-2

Submitted on: 3/17/2025 4:18:32 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Anima | Individual | Oppose | Written Testimony Only |

Comments:

To the Senate Committee

I am opposing this bill and hope that committee sees that it is not in favor of in Hawaii tourism when the tax is already so high.

We can see in news that the tourism rate has decreased in Hawaii. When people are able to afford different places to vacation for cheaper cost, they prefer to go other places than come to Hawaii.

i firmly believe that this measure will only exacerbate the problems of tourism sector that is already there. I urge you to consider the far reaching negative impacts this bill will bring.

Thank you

HB-504-HD-2

Submitted on: 3/17/2025 4:23:49 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Fatima T. Lobo | Individual | Oppose | Written Testimony Only |

Comments:

I first traveled to Hawai'i 40 years ago. I now own three short term rental properties in Maui. Tourism is important to the economy of all of Hawai'i. Hawai'i must stay competitive with other markets. Hawai'i cannot repeatedly increase the cost of vacationing. The United States is already seeing the effects decreased tourism due to the political climate. I believe this trend will continue. Maui is especially struggling to keep restaurants and other businesses open.

Thank you for your time.

Fatima T. Lobo

HB-504-HD-2

Submitted on: 3/17/2025 4:31:14 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| Dron | Individual | Oppose | Written Testimony Only |

Comments:

Dear [Recipient's Name],

I hope this message finds you well. I am writing to express my strong opposition to Bill Number HB 504, HD 2, which, in my opinion, poses a significant threat to the tourism industry in the beautiful state of Hawaii. As a concerned citizen and advocate for sustainable economic growth, I feel compelled to voice my concerns regarding the potential negative impact of this proposed legislation.

Increasing taxes, as outlined in Bill Number HB 504,HD2, is not the appropriate solution to address any existing challenges faced by the state of Hawaii. On the contrary, it is my firm belief that such a measure will only exacerbate the problems faced by the tourism sector. The current tax burden on tourists and visitors alike has already reached a level where many are now reconsidering Hawaii as a destination in favor of more cost-effective alternatives. This trend, if left unchecked, has the potential to cause irreversible damage to the economy of our beloved state.

I urge you to carefully consider the far-reaching consequences of passing Bill Number HB 504 HD2. Rather than imposing additional taxes on tourists, I implore you to explore more sustainable and innovative solutions that will help support and promote Hawaii's tourism industry without deterring potential visitors.

In light of these concerns, I strongly recommend that this bill not be passed in its current form. I believe that together, we can find more effective ways to address the challenges faced by Hawaii's tourism industry while also safeguarding the state's economic prosperity and long-term sustainability.

Thank you for taking the time to consider my perspective on this important matter. Your attention to this issue is greatly appreciated, and I trust that you will make a decision that is in the best interests of our community and the future of Hawaii.

Warm regards,

Dron Gauchan M.D

HB-504-HD-2

Submitted on: 3/17/2025 5:11:11 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Milo McGarry | Individual | Oppose | Written Testimony Only |

Comments:

Hawaii is already unaffordable. This bill will drive more visitors away.

HB-504-HD-2

Submitted on: 3/17/2025 4:41:46 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

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

Comments:

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

I am writing to express my strong opposition to HB 504 HD2, which proposes an undefined increase in the Transient Accommodations Tax (TAT) and a \$20 per night fee on loyalty program stays. As a property owner and business operator in Hawaii’s tourism sector, I am deeply concerned about the negative economic impact this bill will have on both local businesses and the state’s overall tourism industry.

Hawaii’s economy is heavily reliant on tourism, and increasing the cost of visiting our islands will make us less competitive compared to other destinations. Higher taxes and fees will deter travelers, leading to a decline in visitor spending, which directly affects local businesses, employees, and communities that depend on this revenue. At a time when economic stability is crucial, this bill could create unintended consequences, including reduced bookings, job losses, and lower tax revenue in the long run.

Furthermore, the lack of clarity on the proposed TAT increase creates uncertainty for business owners and travelers alike. Imposing additional financial burdens on tourists, especially on loyalty stays, discourages repeat visits and hurts Hawaii’s reputation as a welcoming destination.

I urge you to oppose HB 504 HD2 and instead consider policies that support sustainable tourism growth without imposing excessive financial strain on visitors and local businesses. Thank you for your time and consideration.

Sincerely,

Roger Li

HB-504-HD-2

Submitted on: 3/17/2025 5:35:37 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Jodi Nehring | Individual | Oppose | Written Testimony Only |

Comments:

As a west side Maui owner and operator of a short term vacation rental I oppose the higher taxes on tourism at this time. There are continuing to be barriers to tourism in Maui. Many people already find it unaffordable to come to Maui with fewer options in short term vacation rentals and the exorbitant price of hotel rooms. They are choosing Mexico and the Caribbean where things are less expensive and there is not this sense of unwelcomeness that Maui has been giving. Increasing prices at this time will say more to tourists "we don't want you here". Make up your mind Maui, do we support tourism and tourists or not?

HB-504-HD-2

Submitted on: 3/17/2025 5:37:27 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Debra Kapan | Individual | Oppose | Written Testimony Only |

Comments:

Dear Chairs and Members,

My name is Debra Kaplan, and I am a resident of Maui. I own a small condo rental property that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in strong opposition to HB 504 HD2 because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Hawaii’s tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an unclear increase in the Transient Accommodations Tax (TAT) will make our islands even less attractive to visitors. We can’t take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a rental operator, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce employee hours or raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

Debra Kaplan

Ekahi 50F

HB-504-HD-2

Submitted on: 3/17/2025 5:52:35 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Vonda Smith | Individual | Oppose | Written Testimony Only |

Comments:

The Honorable Lynn DeCoite, Chair and

Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and

Members of the Committee on Water and Land

Hawaii State Legislature

State Senate

415 S. Beretania Street, Rm. #229

March 18, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Vonda Smith and I own a **rental property** that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in **strong opposition to HB 504 HD2** because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Hawaii's tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an **unclear increase in the Transient Accommodations Tax (TAT)** will make our islands even less attractive to visitors. We can't take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

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.

The working people of the island rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce employee hours or raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

Vonda Smith

HB-504-HD-2

Submitted on: 3/17/2025 5:52:56 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Lisa Sedlic | Individual | Oppose | Written Testimony Only |

Comments:

Hawaii's tourism is vulnerable to rising global costs

Testimony in Support of HB504 HD2
Senate Committee on Economic Development and Tourism
Senate Committee on Water and Land

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

My name is Jack Kittinger, and I am submitting written personal testimony in strong support of HB504 HD2 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 HB504 HD2 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 Maunalua 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 HB504 HD2 this session.

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

Jack Kittinger, PhD

HB-504-HD-2

Submitted on: 3/17/2025 6:17:00 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Laurie R | Individual | Oppose | Written Testimony Only |

Comments:

Dear Chair and Members,

I am submitting testimony in **STRONG OPPOSITION** to HB 504 HD2. Hawai'i and especially the island of Maui, continue to struggle due to economic uncertainty, residual issues from our fire of August 2023 and other external influences. Our local business, both small and large will suffer from additional fees and taxes. While I fully support protecting the environment, Hawai'i already has the highest transient taxes anywhere in the world.

Additionally, I don't think there is transparency in how these monies will be managed and applied. I would urge the state to first see where they can address the issue of illegal rentals and bring them into compliance, which in turn would generate more funds for programs such as this. Without raising taxes even higher for those that have been in compliance for many, many years.

I urge you to oppose this bill and focus on other alternatives that will not further harm our economy.

Mahalo!

HB-504-HD-2

Submitted on: 3/17/2025 6:31:54 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Wayne Warrington | Individual | Oppose | Written Testimony Only |

Comments:

Hawaii already has one of the highest visitor tax burdens in the U.S. Raising the Transient Accommodations Tax (TAT) and adding new fees, such as the \$20/night charge on loyalty-based stays, will make Hawaii less competitive compared to other travel destinations.

This could discourage repeat visitors and drive travelers to more affordable destinations, resulting in a decline in tourism.

HB-504-HD-2

Submitted on: 3/17/2025 6:34:54 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| JOSHUA GRAVIN | Individual | Oppose | Written Testimony Only |

Comments:

This increase proposed for transient tax is just another reason for people to not visit Maui anymore. Tourists don't need (and won't keep paying) additional taxes on top of the already ridiculously high current taxes of 17.75% (TAT, GET, and MCTAT). Taxes like these are why tourist numbers are dropping.

HB-504-HD-2

Submitted on: 3/17/2025 7:02:25 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Tracey stefanyk | Individual | Oppose | Written Testimony Only |

Comments:

Dear Chair and Members,

I am writing to express strong opposition to HB504 HD2. The current cost of travel to Hawaii is already diverting visitors to other, more affordable destinations. Even those who can afford the higher costs are feeling like they are not getting the best value for their money and are looking elsewhere. One has only to look at dropping vacancy rates in hotels, or read the comment section in Beat of Hawaii, to see that visitors are fed up with the high cost of travel to Hawaii and are choosing not to come to Hawaii. Adding additional costs would intensify this trend to the point where it could become unsustainable. Even if some are still willing to pay the higher costs, they will spend less, negatively affecting offshoot businesses that rely on robust tourist spending

Tourism is the backbone of Hawaii's economy, driving the success of many local restaurants, retail shops, entertainers, tour operators, transportation services, property managers and housekeeping staff. If this Bill passes, that success may turn to failure. Ultimately, it is hard working local business owners who will suffer the consequences of this bill.

While the desire to generate additional revenue is understandable, the consequences of this Bill will offset any gains due to lost tourism revenue. It would be more prudent to revisit how the current, already significant, tax revenue is being utilized and find more efficient ways to allocate it.

Respectfully Yours,

Tracey Stefanyk

HB-504-HD-2

Submitted on: 3/17/2025 7:05:19 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Michelle McGarry | Individual | Oppose | Written Testimony Only |

Comments:

I oppose this bill because Hawaii's tourism is vulnerable to rising global costs.

The new tax burden will hurt local businesses and residents at a time when federal funding and resources are being cut daily.

The state's increasing debt could lead to future tax hikes, hurting residents.

HB-504-HD-2

Submitted on: 3/17/2025 7:18:22 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| KAREN LANDGRAF | Individual | Oppose | Written Testimony Only |

Comments:

I own a small condo that I rent out sometimes to help offset the high costs of property tax and HOA fees. The taxes that we already pay for the transient tax is too high and any increase will only deter tourism. I've seen several restaurants go out of business in the last few years and this will only hurt more businesses and put workers out of a job. Please reconsider this tax, it will not help Maui.

HB-504-HD-2

Submitted on: 3/17/2025 7:22:03 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------|--------------|--------------------|------------------------|
| Neal Halstead | Individual | Oppose | Written Testimony Only |

Comments:

Dear Senators

I would like to express two brief thoughts on HB504 HD2.

1. The \$20 per night TAT assessed on nights paid for using points or rewards is unfairly low. If we assume the average nightly rate of a hotel room is \$350, the \$20 per night works out to 5.7%, whereas the TAT on nights paid for using cash is 9.25%.

2. Including county TAT, state TAT and GET, total tax **rates** on tourist accommodation have risen by 34% since 2011. Increasing the rate again, while already facing declining occupancy and a looming recession is likely to result in a net reduction of TAT revenues as travellers stay home or travel elsewhere. How much is too much?

Kindest regards

Neal Halstead

Kihei, HI

HB-504-HD-2

Submitted on: 3/17/2025 7:30:52 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Fereshteh Tali | Individual | Oppose | Written Testimony Only |

Comments:

Subject: Opposition to HB 504 HD2 - Transient Tax Increase

Hello,

I am writing to express my strong opposition to HB 504 HD2, which proposes an increase to the Transient Accommodation Tax (TAT).

The recent increases in the TAT, combined with the ongoing efforts to recover from the devastating 2023 fires, have placed an incredible strain on local businesses. Many of us are still struggling to rebuild, not only from the physical damage but also from the negative, often unwelcoming, comments on social media. Another increase in the TAT will further burden local businesses, making it even harder for us to stay afloat and recover.

As a long-term resident of Maui and a business owner, I can confidently say that this tax increase would have a detrimental effect on our local economy. We need policies that support our businesses and help us rebuild, not make it harder for us to survive.

Thank you for considering my perspective.

Sincerely,

Fereshteh Nikbakhsh-Tali

43 Kumu Niu St

Lahaina, HI 96761

HB-504-HD-2

Submitted on: 3/17/2025 8:02:06 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| michael kayem | Individual | Oppose | Written Testimony Only |

Comments:

Our vacation rental bookings have slowed down since the Maui fires. I fear that an additional increase on TAT fees will only hurt us more. We already have the highest TAT tax rate in the nation. To increase it would be counter-productive and only increase the accomodation pricing for our guest visiting the island, therefore they may choose other distinations then Maui. The current rate is already unaforable for many tourist. Please vote NO on HB504. thank you

HB-504-HD-2

Submitted on: 3/17/2025 8:03:05 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Levi Brooker | Individual | Oppose | Written Testimony Only |

Comments:

Please stop allowing the hotel industry to dictate housing policy in HI. None of this is helping the local people in need of housing. It is just running small business owners who contribute a lot of money to the local economies by facilitating additional tourism out of business so the hotels can strengthen their monopoly while not paying local people enough to survive. Please focus on incentivizing private developers to build low income housing in HI and stop scapegoating the fraction of remaining legal short term rentals for all your problems.

HB-504-HD-2

Submitted on: 3/17/2025 8:11:55 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Henry Carrasco | Individual | Oppose | Written Testimony Only |

Comments:

Dear Chairs and Distinguished Members

My name is Henry Carrasco owner of The Palms at Waliea #1207 condominium since 2003. I am 79 years of age and depend on the income recieved from the rents on a monthly basis, I have maintained our condo to the highest sustainable ugrades in the last 20 years and paid increasing HOA's and increasing property taxes and reduction of monthly rental prices due to economic downfalls. I am in opposition to HB 504 HD2 because of the continual increase in taxes,HOA'S, maintaince costs and reduction of rental days and lowering of rent per night due to increase of travel costs and increased general costs for travelers from west coast and Canada. By increasing a \$20.00 per night charge on a rewards basis is confusing for the renter and myself while still paying TAT . There are many other distinations which our tourists can visit for much less. However, Maui is a better choice , but increasing all the charges will reduce tourism on our island. As stated I have remodeled over the years employing local contrators, buying furniture, appliances and employing gardeners,housecleaners and general maintenance people.

I support sustainable and protection of Maui 's environment, however, HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and find other means of funding that will not harm our beautiful islands' economy.

Thank you in advance for opposing this bill.

Respectfully submitted

Henry Carrasco

The Palms at Waliea #1207

HB-504-HD-2

Submitted on: 3/17/2025 8:29:39 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Alison Ilsa Watts | Individual | Oppose | Written Testimony Only |

Comments:

We need tourism to keep our unit affordable.

HB-504-HD-2

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

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Noreen McKinley | Individual | Oppose | Written Testimony Only |

Comments:

I STRONGLY oppose HB504 HD2.

It is very disappointing that that Maui is turning into an "anti-tourism" island. It is very concerning that the Maui Government would zero in on Tourism, the major contributor of its economy.

- *Higher Costs for Tourists: Increased taxes will make Hawaii less competitive and reduce tourism*
- *Economic Impact: Local businesses and workers who depend on tourism income will be hit hard in this time of economic uncertainty*

Checks and balances would be helpful instead of just making a harsh decision that can ruin the whole island's economic life. Local residents would not be able to afford anything when they have no employment on Maui. It will be an economic disaster for all.

HB-504-HD-2

Submitted on: 3/17/2025 8:47:03 AM

Testimony for EDT on 3/18/2025 1:00:00 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 HB504, 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

HB-504-HD-2

Submitted on: 3/17/2025 8:50:17 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|----------------|
| Aaron Magee | Individual | Support | In Person |

Comments:

Aloha,

My name is Aaron Magee and I'm writing in strong support of HB504 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.

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.

Right now we have the opportunity to follow other already successful models of visitor fee programs and be an example of what is possible when the community works together to care for the ecosystems that keep us alive.

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.

Without additional funding, the nonprofit sector will continue to force workers to choose between doing well financially and doing good for the world. An unfortunate choice considering these causes often are referred to as what "really matters" in life.

To ensure this bill is truly effective, I recommend there be a plan to increase the fee over time, 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.

HB-504-HD-2

Submitted on: 3/17/2025 8:58:08 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Susan Boyd | Individual | Oppose | Written Testimony Only |

Comments:

Maui tourism tax has increased multiple times year over year, making travelers less interested in coming here to support tourism and essentially livelihoods on the island. This has a domino effect, leaving locals without jobs due to the decrease in tourism to the island.

HB-504-HD-2

Submitted on: 3/17/2025 8:59:33 AM

Testimony for EDT on 3/18/2025 1:00:00 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 HB504, 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.

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,

Charlotte Frank

HB-504-HD-2

Submitted on: 3/17/2025 9:01:13 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Maureen Mitchell | Individual | Oppose | Written Testimony Only |

Comments:

Hawaii taxes on transient accommodations are already very high. Visitors are taking their dollars elsewhere. Please stop extracting so much from tourists as it harms many small businesses that depend on their spending for income.

HB-504-HD-2

Submitted on: 3/17/2025 9:27:49 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| Fred Green | Individual | Oppose | Written Testimony Only |

Comments:

Opposition to HB 504 HD2

Dear Chairs and Members,

I am a rental property owner who depends on a strong and sustainable tourism industry. I am writing to express my strong opposition to HB 504 HD2, as it poses a serious threat to the economic foundation that supports my family, employees, and the broader community.

Hawaii’s tourism sector is already grappling with challenges like rising airfare, global inflation, and economic uncertainty. Adding a \$20 per night charge on rewards-based stays—along with an unclear increase in the Transient Accommodations Tax (TAT)—will only make our islands less competitive as a travel destination. Visitors have plenty of options, and if costs continue to rise, many will simply choose to vacation elsewhere.

Impact on Local Businesses and Workers

Tourism drives Hawaii’s local economy, supporting restaurants, tour operators, transportation services, and retail businesses. If visitor numbers decline or spending drops due to higher costs, the impact will be felt by workers and business owners across the state.

As a rental property owner, I rely on a steady stream of visitors to maintain my business. If this bill passes, fewer bookings will mean less work and income for my on-site manager, cleaners, and contractors who help keep the property running.

Need for Transparency in Tax Revenue

I fully support environmental protection efforts, but Hawaii has a history of diverting TAT funds away from their intended purpose. Before imposing new taxes, the state should conduct a thorough audit to ensure existing funds are being properly managed. Adding new financial burdens on visitors without clear accountability is not the right solution.

Hawaii’s economy depends on balance—we must protect our environment while keeping tourism viable for businesses and residents alike. HB 504 HD2 risks pushing tourism further into decline at a time when we can least afford it.

I urge you to oppose this bill and work toward sustainable, responsible funding solutions that don't harm our economy.

Thank you for your time and consideration.

Very Respectfully,
Fred Green

HB-504-HD-2

Submitted on: 3/17/2025 10:15:07 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| SUMEI SHIH | Individual | Oppose | Written Testimony Only |

Comments:

Dear Chairs and Members,

My name is Sumei Shih, and I own a rental property Maui that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in **strong opposition to HB 504 HD2** because we have built our retirement on the incomes of the property and also Hawaii’s tourism industry is already facing challenges with rising airfare, global inflation. So far, we have not been able recover to vacation rental rates since the Lahaina fire.

Introducing a new \$20 per night charge on rewards-based stays and an **unclear increase in the Transient Accommodations Tax (TAT)** will make our islands even less attractive to visitors. We can’t take visitor demand for granted—many other destinations are competing for the same travelers. All over the world, we are slowly starting to see recession and soon, we will be fighting for a limited amount of people who can actually spend. If costs get too high, visitors will choose to vacation elsewhere. This means local businesses and workers will suffer too.

In our management company, already they are cutting costs and cutting payroll after the Maui fire! 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.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii’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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

Sumei Shih

Owner of units in Kaanipali Shores

HB-504-HD-2

Submitted on: 3/17/2025 10:23:03 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------|--------------|--------------------|------------------------|
| Regina Duncan | Individual | Oppose | Written Testimony Only |

Comments:

March 17, 2025

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is Regina Duncan, and I am a resident of Maui. I own a locally owned real estate company and my clients rely on a healthy and sustainable tourism economy. I am submitting testimony in strong opposition to HB 504 HD2 because it threatens the economic foundation that supports my family, my employees, and many others in our community. I was with one of my clients yesterday. She is local resident and relies on her 2 vacation rentals for her income.

Hawaii’s tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an **not yet decided tax increase** will make our islands even less attractive to visitors. We can’t take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a small business owner, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce employee hours or raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

HB-504-HD-2

Submitted on: 3/17/2025 10:27:16 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Cristina Graziano | Individual | Oppose | Written Testimony Only |

Comments:

The Honorable Lynn DeCoite, Chair and

Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair and

Members of the Committee on Water and Land

Hawaii State Legislature

State Senate

415 S. Beretania Street, Rm. #229

March 17, 2025

OPPOSITION TO HB504 HD2

Aloha Chairs and Members,

My name is Cristina Graziano, and I am a resident of Maui. I am employed by a local vacation rental business that directly relies on a healthy and sustainable tourism economy. I am submitting

testimony in strong opposition to HB 504 HD2 because it threatens the economic foundation that supports our families, our employees, and many others in our community.

Hawaii's tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an unclear increase in the Transient Accommodations Tax (TAT) will make our islands even less attractive to visitors. We can't take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer. 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 an employee of a vacation rental business, we rely on a steady flow of visitors. If this bill passes, we could see fewer bookings, which might force us to reduce employee hours or raise prices for customers.

While I fully support protecting the environment, Hawaii 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.

Hawaii'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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy and threaten our jobs.

Thank you for your time and consideration.

Respectfully,

Cristina Graziano

HB-504-HD-2

Submitted on: 3/17/2025 10:51:57 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|----------------------|---------------------|---------------------------|------------------------|
| Daniel Jacob Steimel | Individual | Oppose | Written Testimony Only |

Comments:

Dear Legislators,

I am writing to express my strong opposition to Hawaii House Bill 504, which proposes an additional \$20 fee on hotel loyalty program redemptions and an increase in the Transient Accommodations Tax (TAT).

This bill would have significant negative impacts on Hawaii's tourism industry and local economy:

1. **Double taxation:** The \$20 fee on loyalty program redemptions would effectively create a second tax on visitors who are already paying TAT when redeeming points.
2. **Barrier to entry:** With major airlines forecasting lower travel rates and increasing fees, this additional tax would further discourage visitors from choosing Hawaii as their destination.
3. **Burden on local residents:** The TAT increase would affect kama'āina nights and staycations, placing an additional financial burden on local families who are already facing rising costs.
4. **Impact on essential travel:** The tax increase would also affect government officials and residents traveling for work or medical care between islands.
5. **Industry recovery:** The hotel industry has not fully recovered from the COVID-19 pandemic, and this tax increase would further hinder its ability to rebound.
6. **Highest carrying costs:** Hawaii already has some of the highest carrying costs for hotel operations globally, including labor and property debt service.
7. **Competitive disadvantage:** The proposed increase would make Hawaii's already high tourism taxes even less competitive globally.

Instead of increasing taxes on an industry that contributes significantly to the state's economy, I urge you to consider alternative solutions for climate mitigation funding, such as:

- Utilizing interest from the rainy day fund
- Implementing a barrel tax, as suggested by the Climate Advisory Team
- Focusing on enforcing existing laws and collecting taxes from illegal short-term rentals

These alternatives would address climate concerns without placing an undue burden on the tourism industry and local residents.

I respectfully request that you oppose HB504 and seek more equitable solutions for funding climate mitigation efforts in Hawaii.

Sincerely,
Dan Steimel

HB-504-HD-2

Submitted on: 3/17/2025 11:18:47 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Steve Parsons | Individual | Support | Written Testimony Only |

Comments:

We must attack climate change from many angles. this is one good one!

steve parsons

HB-504-HD-2

Submitted on: 3/17/2025 11:48:22 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Jeanmarie Alo | Individual | Oppose | Written Testimony Only |

Comments:

Esteemed Committee,

I am writing to oppose HB504 HD2. Maui suffered a devastating blow to its tourism ad economy with the fires. It has not recovered ([Hawaii tourism is stable but not growing: Travel Weekly](#)) and the Governor announced that more than \$6M will be spent in marketing funds in hopes of improving the situation. [Hawaii is hopeful marketing funds will help reverse Maui slump: Travel Weekly](#). I am sure you are well aware of this. I only raise it because making Maui more expensive for tourists by raising taxes works against the goal and this effort. Tourism taxes for Maui already stand at 17.96%, and I hear an increasing number of friends choosing Mexico instead of Hawaii because of costs. We cannot afford to continue to make Maui more expensive if we want to increase tourism. As the adage goes, if you tax something (make it more expensive), you will get less of it. I appeal to you to reject HB504 and help Maui recover.

Thank you,

Richard and Jeanmarie Alo

Nancy Wolcott

HB-504-HD-2

Submitted on: 3/17/2025 11:50:35 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| Jahya Costa | Individual | Oppose | Written Testimony Only |

Comments:

March 18, 2025

The Honorable Lynn DeCoite, Chair
Members of the Committee on Economic Development and Tourism

The Honorable Lorraine R. Inouye, Chair
Members of the Committee on Water and Land

Hawaii State Legislature
State Senate
415 S. Beretania Street, Room 229

RE: OPPOSITION TO HB504 HD2

Aloha Chairs DeCoite and Inouye, and Members of the Committees,

My name is Jahya Costa, and I am a native Hawaiian working for Maui Paradise Properties. I'm writing today to strongly oppose HB 504 HD2 because I believe it will do more harm than good for our economy, local businesses, and the hardworking people of Hawaii.

Hawaii's tourism industry is already facing tough challenges—higher airfare, global inflation, and increasing competition from other destinations. Adding a new \$20 per night charge on rewards-based stays and potentially increasing the Transient Accommodations Tax (TAT) will only make it more expensive for visitors to come here. And let's be real—people have choices. If Hawaii gets too expensive, they will vacation elsewhere, and we'll feel the impact firsthand.

Local Businesses and Jobs at Risk

Tourism is the backbone of our economy, supporting restaurants, tour operators, transportation services, local shops, and so much more. If fewer visitors come—or if they spend less because of higher costs—it's not just hotels that take the hit. It's local businesses, employees, and families.

As a property manager, I depend on a steady flow of visitors. If this bill passes, I worry about seeing fewer bookings, which could force me to cut employee hours, raise prices, or even reconsider the sustainability of my business. Many others in our community are in the same boat.

Concerns Over Transparency

I absolutely support protecting Hawaii's environment, but let's be honest—there have been issues in the past with how TAT funds have been used. Instead of adding yet another tax burden, shouldn't we first ensure that existing funds are properly managed and allocated?

Hawaii needs a balanced approach—one that protects our islands while keeping tourism affordable and sustainable for both visitors and the local businesses that rely on them. HB 504 HD2 risks throwing that balance off at a time when we can least afford it.

I respectfully urge you to vote **against** this bill and instead explore solutions that won't put additional strain on our economy and local families.

Mahalo for your time and consideration.

Mahalo,

Jahya Costa

HB-504-HD-2

Submitted on: 3/17/2025 12:02:53 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Rob Rietow | Individual | Oppose | Written Testimony Only |

Comments:

We have enough taxes now. Any new taxes on visitors will contribute to less visitors coming to Hawaii. If you really feel this stewardship is required, try reducing to funding elsewhere. to pay for it.

HB-504-HD-2

Submitted on: 3/17/2025 12:06:53 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Eric Neil Steinberg | Individual | Oppose | Written Testimony Only |

Comments:

I strongly oppose an increase to the Transient Accommodations Tax. After the fires of 2023, Maui desperately needs to rehabilitate its tourist industry to bring financial support back to the working people of the island. Please don't give people another reason not to visit and support vital businesses. Mahalo.

HB-504-HD-2

Submitted on: 3/17/2025 12:41:35 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Lara Noren | Individual | Support | Written Testimony Only |

Comments:

I strongly support the implementation of the environmental stewardship fee. With the impending funding cuts from the federal government, our 'āina needs more financial support than ever. We as a state have the responsibility to step up and fill the gap that will only continue to grow under this political climate. Hawai'i has an opportunity to be a leader in sustainable environmental funding, and the visitors to this place will only continue to prioritize this destination with healthy ecosystems that support tourism like ocean cruises, helicopter tours, opportunities to view native species, etc. It is important to consider the legacy of this type of legislation, and how its foundation will change the relationship between the tourism industry and Hawai'i for the better.

I am writing from the island of O'ahu and I can see the degradation of this island from tourism daily. It is imperative to think about how the areas that are most impacted can receive buffers from these impacts of tourism. Also, this fund could support community stewardship initiatives, which are also greatly impacted by federal funding cuts. We must take on the responsibility of continuing to care for these community organizations putting in the hard work, and pick up the slack to ensure these organizations are not detrimentally impacted.

Mahalo for the opportunity to provide input.

HB-504-HD-2

Submitted on: 3/17/2025 12:52:30 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| Martina Wing | Individual | Oppose | Written Testimony Only |

Comments:

*The Honorable Lynn DeCoite, Chair and
Members of the Committee on Economic Development and Tourism*

*The Honorable Lorraine R. Inouye, Chair and
Members of the Committee on Water and Land*

*Hawaii State Legislature
State Senate
415 S. Beretania Street, Rm. #229*

March 17, 2025

Dear Chairs and Members,

My name is Martina Wing, and I reside in Kailua-Kona (Big Island). I own a small business and rental property that relies on a healthy and sustainable tourism economy. I am submitting testimony in **strong opposition** to HB 504 HD2 because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Hawaii’s tourism industry already faces rising airfare, global inflation, economic uncertainty, and a federal administration that has acted lawlessly and unconstitutionally on any given day since its inauguration. Introducing a new \$20 per night charge on rewards-based stays and an unclear increase in the Transient Accommodations Tax (TAT) will make our islands even less attractive to visitors. We can’t take visitor demand for granted—many other destinations compete for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

While the concept might be admirable, charging \$20/night is too much, plus implementing a " mileage program" that might not work.

Local Businesses and Workers Will Suffer

Tourism supports local businesses such as restaurants, tours, transportation services, and retail shops. It is **THE most important** industry of the islands. If fewer visitors come or spend less due to higher costs, local jobs, and incomes are directly affected.

As a small business owner and rental operator, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce employee hours or raise customer prices.

This bill will add another **HUGE** hurdle to making a living in an already costly destination.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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 used correctly instead of adding new financial burdens on visitors.

First, bring transparency, then make changes!

Hawaii's economy relies on a balanced approach—we must protect our environment without making our islands too expensive for visitors or unsustainable for local businesses. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,
Martina Wing

HB-504-HD-2

Submitted on: 3/17/2025 1:18:28 PM

Testimony for EDT on 3/18/2025 1:00:00 PM



| Submitted By | Organization | Testifier Position | Testify |
|---------------------|--------------|--------------------|------------------------|
| belinda battistelli | Individual | Oppose | Written Testimony Only |

Comments:

As a owner in Maui I oppose the HB504 excessive more taxing to us little owners of condos. It is apparant that is tax is another way of punishing the "little guy" that creates tourism and helps keep the island productive with tourists plus my own family and friends, that use the condo and spend money on the lovely island of Maui. With this additional cost of the HB504-you are forcing more of us to not want to contribute to keep the island prospering with wonderful visitors from around the world. Not everyone can afford large hotel costs and fees and the little condo renters, bring in visitors and tourists that eat at the local places, go to the swap meets and galleries and spend their funds on activities in Maui , all the while Maui is reaping those benefits ---the mighty dollar helps , but constant taxing is insane. You already get your TAT and GET --- fairly enough and that is necessary.

I OPPOSE and am against HB504--- Belinda Battistelli

LATE

HB-504-HD-2

Submitted on: 3/17/2025 1:26:43 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------|--------------|--------------------|------------------------|
| Cameron Gomez | Individual | Oppose | Written Testimony Only |

Comments:

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is **Cameron Gomez**, and **I am a resident of Maui**. I own a **short term vacation rental property** that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in **strong opposition to HB 504 HD2** because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Hawaii’s tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an **unclear increase in the Transient Accommodations Tax (TAT)** will make our islands even less attractive to visitors. We can’t take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a **small business owner / rental operator**, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce employee hours or raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I fully support protecting the environment, Hawaii 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.

Hawaii’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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

Cameron Gomez, Founder Surf and Stay LLC

HB-504-HD-2

Submitted on: 3/17/2025 1:30:23 PM

Testimony for EDT on 3/18/2025 1:00:00 PM



| Submitted By | Organization | Testifier Position | Testify |
|-----------------|--------------|--------------------|------------------------|
| Matt Cartwright | Individual | Oppose | Written Testimony Only |

Comments:

OPPOSITION TO HB504 HD2

Dear Chairs and Members,

My name is **Matthew Cartwright**, and **I am a resident of Maui**. I own a **short term vacation rental property** that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in **strong opposition to HB 504 HD2** because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Hawai‘i’s tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an **unclear increase in the Transient Accommodations Tax (TAT)** will make our islands even less attractive to visitors. We can’t take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

Local Businesses and Workers Will Suffer

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 a **small business owner / rental operator**, I rely on a steady flow of visitors. If this bill passes, I could see fewer bookings, which might force me to reduce employee hours or raise prices for customers.

New Tax Revenue Must Be Transparent and Well-Managed

While I 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.

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. HB 504 HD2 threatens tourism at a time when we can least afford it.

I urge you to oppose this bill and focus on finding sustainable, responsible funding solutions that won't harm our economy.

Thank you for your time and consideration.

Respectfully,

Matt Cartwright, Founder

Surf and Stay LLC

HB-504-HD-2

Submitted on: 3/17/2025 2:03:02 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

LATE

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Helene Kayem | Individual | Oppose | Written Testimony Only |

Comments:

Aloha, It is already hard for a family to afford a vacation in HI. Loosing all Canadian tourists is going to hurt the tourist industry. To add a \$20 on top of the already existing 17+ % is just going to take us over the limit of what people can manage to pay. Mahalo, Helene

LATE

HB-504-HD-2

Submitted on: 3/17/2025 2:46:38 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Ryan Stirling | Individual | Oppose | Written Testimony Only |

Comments:

I strongly oppose HB504 due to its detrimental effects on Hawaii's tourism industry and economy. By imposing a \$20 per night tax on transient accommodations redeemed through points, miles, or loyalty programs starting January 1, 2027, this bill will significantly increase costs for visitors, making Hawaii a less competitive destination. This added burden risks driving tourists elsewhere, especially during a time of economic uncertainty, which will hurt local businesses and workers who rely on tourism revenue. Instead of supporting environmental stewardship through punitive taxes, we should seek solutions that bolster our economy without alienating the visitors who sustain it.

HB-504-HD-2

Submitted on: 3/17/2025 3:45:15 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Ken Rice | Individual | Oppose | Written Testimony Only |

Comments:

Hawaii and Maui in particular can not continue to go to the same resource, tourism and Tat and Get to continue to fund all aspects of government. Rather promote the most uneducated population and getting better paying jobs and tax local residents. Every other country in the US has same problems with expensive housing and other issues but they don't look to the same tax source. I oppose the idea that let's tax condos and tourist some more. **OPPOSE THIS BILL**

HB-504-HD-2

Submitted on: 3/17/2025 4:00:33 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Hector Euredjian | Individual | Oppose | Written Testimony Only |

Comments:

The government is playing with fire by increasing the addint the proposed ammount to the transient accomodation tax , particularly if the added amount is fixed and not a percentage of the total that without. doubt will benefit the most expensiove accomodations in direct detriment of the less expensive ones.

There is a limit of what is reasonable to be charged as taxes for short term rentals and hotels and that limit was reached already, please do not make things more expensive for the visitors that already balk when they realize how much of their bill is for taxes, it seems that the legislator forgot how the tale of the golden egg hen ends.

It would be totally irresponsible to keep tacking more and more taxes to the visitor industry.

LATE

HB-504-HD-2

Submitted on: 3/17/2025 6:01:12 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| helen raine | Individual | Support | Written Testimony Only |

Comments:

This is a vitally important bill to ensure that the natural resources that visitors come to enjoy are protected into the future. Conservation is desperately underfunded in the State and species such as the unique, culturally important ‘alae ‘ula are declining rapidly; that is a bird that could be easily saved with increased investment in wetland areas which also provide recreation areas for visitors and residents, and ecosystem services to make our communities more climate resilient. Let’s be smart and use our tourism industry for the good of the people and the aina of Hawaii.

LATE

HB-504-HD-2

Submitted on: 3/17/2025 6:55:38 PM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Debbie Barba | Individual | Oppose | Written Testimony Only |

Comments:

Dear Chairs and Members,

My name is Debbie Barba, and I am a part time resident, who will be living as a permanent resident of Maui in a few years. I own a legal rental property that directly relies on a healthy and sustainable tourism economy. I am submitting testimony in strong opposition to HB 504 HD2 because it threatens the economic foundation that supports my family, my employees, and many others in our community.

Hawaii's tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new \$20 per night charge on rewards-based stays and an unclear increase in the Transient Accommodations Tax (TAT) will make our islands even less attractive to visitors. We can't take visitor demand for granted—many other destinations are competing for the same travelers. If costs get too high, visitors will choose to vacation elsewhere.

I employ numerous Maui residents who are suffering due to the softened tourism, and their livelihoods depend on tourism rebounding - not slumping due to higher taxation.

Please vote to oppose HB 504 HD2 This is not the time to drive tourism away frkm the island of Maui

Respectfully,

Debbie Barba

TO: Members of the Committees on Economic Development and Tourism
and Water and Land

FROM: Natalie Iwasa
808-395-3233



HEARING: 1 p.m. Tuesday, March 18, 2025

SUBJECT: HB504, HD2, Environmental Stewardship - **OPPOSED**

Aloha Chairs DeCoite and Inouye and Committee Members,

Thank you for this opportunity to provide testimony on HB504, HD2, which includes a blank for the amount of transient accommodations tax (TAT) that is allocated to the mass transit special fund. The mass transit special fund is used for rail construction on Oahu. The following testimony is given in my individual capacity and should not be interpreted to represent any position of HART.

Given the current version of this bill includes several blanks, it is possible that the legislature could change the current amount of funding from the TAT that goes to rail construction after December 31, 2025.

HART recently unveiled its updated financial plan with costs for the City Center and Guideway Stations contract. That plan includes estimated amounts of state TAT for fiscal years 2027 - 2031 of about \$540 million. **Please leave the TAT rate and the allocation to the mass transit special fund alone.**

Please also note I do not support any additional fee or TAT increase. Visitors and residents are not bottomless pits from which the state can, or should attempt, to get taxes.

Please vote "no" on HB504, HD2.

LATE

HB-504-HD-2

Submitted on: 3/18/2025 5:26:03 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Ryan Lowe | Individual | Oppose | Written Testimony Only |

Comments:

Opposed

HB-504-HD-2

Submitted on: 3/18/2025 8:48:14 AM

Testimony for EDT on 3/18/2025 1:00:00 PM

LATE

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Mitch Maxwell | Individual | Oppose | Written Testimony Only |

Comments:

This is a bad bill. We can't keep gouging tourists.

Organization: Individual

Name of Testifier: Kelly Grovers

Position: Oppose