

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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KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**Testimony of
DAWN N. S. CHANG
Chairperson**

**Before the House Committees on
TOURISM
and
WATER & LAND**

**Thursday, March 20, 2025
9:00 AM**

State Capitol, Conference Room 423 & Videoconference

**In consideration of
SENATE BILL 1396, SENATE DRAFT 3 HOUSE DRAFT 1
RELATING TO ECONOMIC DEVELOPMENT**

Senate Bill 1396, Senate Draft 3, House Draft 1, 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, and appropriates funds to DLNR for protection, management, and restoration of the State's natural resources. **The Department of Land and Natural Resources (Department) strongly supports this measure.**

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

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

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

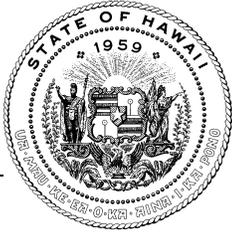
In 2001, the Department conducted a study to determine Hawai‘i’s willingness to support increased funding for watershed protection. Respondents were presented with various means by which the increased funds could be raised (general funds, taxes, or fees). 74% supported using environment-related fees;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

The Department supports directing general funds to advance projects that address climate change to close the funding gap for managing Hawai‘i’s natural resources. For the next two fiscal years (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 our partner agencies like the Hawai‘i Tourism Authority to implement projects.

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

Mahalo for the opportunity to testify on this measure.

^[1] See <https://arcg.is/0GOfL10>



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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
**HOUSE COMMITTEES ON TOURISM
AND
WATER & LAND**

Thursday, March 20, 2025
9:00 AM
State Capitol, Conference Room 423 and Videoconference

In SUPPORT of
SB 1396, SD3, HD1

RELATING TO ECONOMIC DEVELOPMENT.

Chairs Tam and Hashem, Vice Chairs Templo and Lamosao, and members of the Committees, the Hawai'i State Energy Office (HSEO) supports SB 1396, SD3, HD1, an Administration measure, which beginning on January 1, 2027, requires a \$20.00 Transient Accommodation Tax (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 appropriates funds to the Department of Land and Natural Resources for the protection, management, and restoration of the State's natural resources.

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

Every resident, business, visitor, and service in Hawai'i is impacted by infrastructure disruptions, many caused by climate events. Coastal and community resilience requires coordination between all sectors. HSEO respectfully asks the Legislature to identify multiple expending agencies for the appropriation in Section 3 of the bill and expand the allowable uses for the appropriation to include environmental stewardship, climate and hazard mitigation, and sustainable tourism. HSEO stands ready to support the agencies and entities tasked with investment of these needed funds; particularly those projects related to energy and transportation resilience.

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

Thank you for the opportunity to testify.



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

House Committee on Tourism
House Committee on Water & Land

Thursday, March 20, 2025
9:00 a.m.

State Capitol, Conference Room 423 and Videoconference

With Comments
S.B. No. 1396, SD3, HD1, Relating to Economic Development

Chair Tam, Vice Chair Templo, and members of the House Committee on Tourism:

Chair Hashem, Vice Chair Lamosao, and members of the House Committee on Water & Land:

The Office of the Governor Recovery and Resiliency Unit **Offers Comments** S.B. No. 1396 SD3, HD1, Relating to Economic Development.

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

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

There is great value in resiliency projects as these proactive investments can radically reduce risks. For instance, retrofitting homes to withstand environmental hazards are proven to be a cost-effective avenue to reduce risks. In wildfire prone areas, implementing fire mitigation

strategies such as creating defensible space around properties or utilizing fire-resistant building materials can dramatically reduce the spread of wildfires.

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

Despite the clear benefits of these resiliency projects, funding for such initiatives has traditionally been reliant on federal sources, particularly through the Federal Emergency Management Agency (FEMA) and other partners in the federal government. This creates a reliance on federal funds, and that dependence can create uncertainty. To ensure long-term stability, establishing a dedicated state fund would guarantee a more consistent and reliable source of support. These funds are often nationally competitive in nature, require various matching funds, and can take years to secure and implement and with no guarantee our partners will secure funding. Senate Bill 1396 SD3, HD1, takes that step in addressing this gap by establishing a dedicated state level fund for climate mitigation and resiliency efforts. This will allow for a more strategic, long-term approach to resiliency planning and implementation.

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

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



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

**House Committees on Tourism
and Water and Land**

Thursday, March 20, 2025
9:00 a.m.

State Capitol, Conference Room 423, and Videoconference

In Support

S.B. No. 1396, S.D. 3, H.D. 1, Relating to Economic Development

Chairs Tam and Hashem, Vice Chairs Templo and Lamosao, and Members of the House Committees on Tourism and Water and Land:

The Office of the Governor supports S.B. No. 1396, S.D. 3, H.D. 1, Relating to Economic Development. S.B. No. 1396, S.D. 3, H.D. 1, amends the Transient Accommodations Tax (TAT) beginning January 1, 2027, and appropriates funds to the Department of Land and Natural Resources to protect, manage, and restore the State's natural resources.

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.

Given the climate emergency and its impact on our State's economy, the Office of the Governor affirms the Legislature's findings that "successful mitigation of and adaptation to climate change are imperative" and "[s]upporting sustainable practices protects the islands' unique ecosystems while simultaneously fostering economic growth" (S.B. No. 1396, S.D. 3, H.D. 1, section 1). To "prioritiz[e] policies and funding mechanisms that support climate action, conservation, and sustainable industries," an investment approach advanced by the Legislature in this bill (S.B. No. 1396, S.D. 3, H.D. 1, section 1), the Office of the Governor believes that the

bill should explicitly fund not just environmental stewardship but also climate and hazard mitigation and sustainable tourism. As such, the Office of the Governor requests that sections 2 and 3 of the bill explicitly address environmental stewardship, climate and hazard mitigation, and sustainable tourism to fully support the Legislature's three-pronged approach to securing the health and well-being of Hawaii and its peoples.

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 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 a special fund rather than the general fund. Because any one legislature is prohibited from obligating a future legislature to appropriate general funds for a particular purpose, continuing to deposit the 1.0% increase in TAT funds into the general fund, as H.D. 1 currently does, rather than into a special fund, does not safeguard funds for environmental, hazard, and tourism projects. To ensure funds are used only for specified purposes, such as environmental stewardship, climate and hazard mitigation, and sustainable tourism, the funds must be deposited into a special fund with specified allowable uses.

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

The Office of the Governor appreciates the inclusion of language appropriating general revenues for FY 2025–2026 and FY 2026–2027 to protect, manage, and restore the State's natural resources. As mentioned earlier in our testimony, **the Office of the Governor requests your committees expand the purpose of this appropriation to include environmental stewardship, climate and hazard mitigation, and sustainable tourism.** Further, because 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 authorize multiple departments to expend these**

appropriated funds. 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.

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. Establish a special fund into which 8.9% of total TAT revenues shall be deposited and the expenditure ceiling of which is allocated as follows: 40% to environmental stewardship, 40% to climate and hazard mitigation, and 20% to sustainable tourism
3. Include environmental stewardship, climate and hazard mitigation, and sustainable tourism as allowable uses of the appropriated funds (section 3)
4. Authorize multiple departments to expend the appropriated funds (section 3)

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

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



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CRAIG K. NAKAMOTO
EXECUTIVE DIRECTOR

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

Thursday, March 20, 2025
9:00 a.m.
State Capitol, Conference Room 423 & Videoconference

In consideration of
SB 1396, SD3 HD1
RELATING TO ECONOMIC DEVELOPMENT.

Chairs Tam and Hashem, Vice Chairs Templo and Lamosao, and members of the Committees.

The Hawai'i Community Development Authority (HCDA) **supports this bill**, which increases the transient accommodations tax to create a source of revenue for environmental stewardship.

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 HCDA is studying the projected impacts of climate change and sea level rise in the Kaka'ako and Kalaeloa districts and will be planning for its effects on future housing and other developments. Thus, we understand the need for more sustainable and resilient planning and development, as well as the purposeful protection and stewardship of the environment for the people of Hawai'i.

Thank you for the opportunity to provide testimony.



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

Thursday, March 20, 2025
9:00 a.m.
State Capitol, Room 423

In consideration of
SB 1396 SD 3 HD 1
RELATING TO ECONOMIC DEVELOPMENT

Aloha Chairs Tam and Hashem, Vice Chairs Templo and Lamasao, and Members of the Committees,

The Hawai'i Tourism Authority (HTA) offers comments on SB 1396 SD 3 HD 1, which amends the transient accommodations tax (TAT) rate beginning on January 1, 2027 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. It also appropriates funds to the Department of Land and Natural Resources (DLNR) for protection, management, and restoration of the State's natural resources. 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.

This measure allocates funds to DLNR for the protection, management, and restoration of the state's natural resources. However, it lacks a direct connection to tourism. In contrast, HB 504 HD 2 specifically outlines funding for tourism-related environmental stewardship projects. HTA has collaborated with the DLNR to identify tourism-related environmental stewardship initiatives that should receive funding from the TAT revenue generated by visitors.

While we recognize the intention behind raising the TAT, and implementing a \$20 tax on non-revenue accommodations, the HTA must ensure that such tax increases do not create barriers to travel. Instead, they should provide a positive and competitive business environment [HRS 201B-3(a)(17)].

Concerning the \$20 tax applied per night for each transient accommodation that is exchanged for points, miles, or other rewards through a membership or loyalty program, this could effectively amount to a “double tax,” given that TAT is already paid on stays booked with points. Travelers who use points typically spend more on other aspects of their vacations, meaning there is no loss in TAT revenue from this type of visitor. This is the kind of traveler we want to attract, not discourage.

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

Mahalo for the opportunity to share our comments.

JOSH GREEN M.D.
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DEPUTY DIRECTOR

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

TESTIMONY ON THE FOLLOWING MEASURE:

S.B. No. 1396, S.D. 3, H.D. 1, Relating to Economic Development.

BEFORE THE:

House Committees on Tourism and Water & Land

DATE: Thursday, March 20, 2025

TIME: 9:00 a.m.

LOCATION: State Capitol, Room 423

Chairs Tam and Hashem, Vice-Chairs Templo and Lamosao, and Members of the Committees:

The Department of Taxation (DOTAX) offers the following comments regarding S.B. 1396, S.D. 3, H.D. 1, an Administration measure, for your consideration.

Section 2 of S.B. 1396, S.D. 3, H.D. 1, 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 \$20 tax per night for transient accommodations booked using points, miles, or other membership, loyalty, or rewards programs, beginning on January 1, 2027.

The bill 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.

DOTAX further notes that it can administer changes to the TAT rate by the stated effective date of January 1, 2027.

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



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

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Statement of
JAMES KUNANE TOKIOKA
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON TOURIM
and the
HOUSE COMMITTEE ON WATER & LAND

Thursday, March 20, 2025
9:00 AM
State Capitol, Conference Room 423

In consideration of
SB 1396, SD3, HD1
RELATING TO ECONOMIC DEVELOPMENT.

Chairs Tam and Hashem, Vice Chairs Templo and Lamosao, and members of the Committees:

DBEDT supports SB1396 SD3 HD1, 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 3)

Given the broad scope of the projects, we request multiple expending agencies for Section 3 appropriations. Agencies involved in project identification are best suited for execution, ensuring efficiency and accountability.

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

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

DBEDT's Role and Sustainable Tourism Priorities

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

Within the sustainable tourism space, DBEDT envisions utilizing funds from SB1396 SD3 HD1 for initiatives that:

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

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

SB1396 SD3 HD1 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.



Hawai'i Climate Advisory Team

To: Rep. Adrian K. Tam, Chair
Rep. Shirley Ann Templo, Vice Chair
House Committee on Tourism

Rep. Mark J. Hashem, Chair
Rep. Rachele F. Lamosao, Vice Chair
House Committee on Water and Land

From: The Climate Advisory Team

SB1396, SD3, HD1 - Relating to Economic Development - In Support

Thursday, March 20, 2025, 9:45 a.m., Conference Room 423 & Videoconference

Aloha Chairs Tam and Hashem, Vice Chairs Templo and Lamosao, and Members of the Committees,

Mahalo for the opportunity to testify in **support** of SB1396, SD3, HD1 relating to economic development. As members of the Governor's Climate Advisory Team (CAT), we believe the state must invest in bold actions to prepare for, mitigate, and adapt to the adverse impacts of disasters, which are increasing in severity and frequency with climate change. This bill takes an important step in that direction by establishing a mechanism to raise the Transient Accommodations Tax (TAT) to fund the critical resilience work that must be done to protect our state in the face of extreme disasters.

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

The CAT supports testimony offered by the Office of the Governor, summarized below:

- The funds should explicitly **go towards environmental stewardship, as well as climate and hazard mitigation and sustainable tourism.**
- We concur that the **TAT should be increased by 1.0%, from 10.25% to 11.25%**, which would generate an estimated \$90 million in additional revenues for FY2027 and \$100 million for FY2030. To ensure these additional TAT revenues are available for environmental stewardship, climate and hazard mitigation, and sustainable tourism, **we respectfully request the revenues from the increased TAT be deposited into a special fund rather than the general fund.** This



Hawai'i Climate Advisory Team

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

- Lastly, the CAT respectfully requests your committees **authorize multiple departments to expend these appropriated funds**, not only the Department of Land and Natural Resources.

Hawai'i faces increasingly devastating risks of climate-related disasters, yet we lack a reliable, consistent funding source for disaster mitigation and resiliency efforts. If it persists, this imbalance threatens significant harm to Hawai'i's families, communities, businesses, economy, and precious natural resources. The CAT emphasizes that a coordinated approach for state climate resiliency requires sustained financial support from sources that do not exacerbate the cost of living crisis Hawai'i faces.

The CAT's analysis finds that increasing the Transient Accommodation Tax (TAT) 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



Hawai'i Climate Advisory Team

flows; restoration of lo'i kalo and 'auwai systems; establishment or maintenance of natural retention areas in high-pavement or high-risk areas.

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

Other projects funded by the TAT increase set aside in a special fund should be directed towards increasing the resilience of Hawai'i's communities and infrastructure. A tremendous amount of work is already underway by communities and homeowners themselves to enhance their own readiness, but more financial, organizational, and planning support from the state is needed to accelerate these efforts. Some of these initiatives have been proposed in separate legislation this session and could be funded with the TAT increase. These priority areas for community and built environment resilience are:

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

Hawai'i's tourism industry depends on our state's land, infrastructure, and natural resources. If we don't act now to preserve our state's precious resources and protect our islands from future disasters, the tourism industry is likely to feel significant impacts. Investing now to protect our environment and local communities from the devastating impacts of climate-related disasters will help ensure Hawai'i remains a desirable travel destination for visitors. The proposed increase to the TAT to fund statewide resiliency is fair because it accounts for the visitor industry's impact on state resources and avoids added financial burdens on our most vulnerable residents. Thank you for the opportunity to testify before your committee on SB1396, SD3, HD1.

With aloha,

The Climate Advisory Team



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, DHHH
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 House Committees on
TOURISM
&
WATER AND LAND**

**Thursday, March 20, 2025
9:00 AM
State Capitol, Conference Room 423 & Videoconference**

**In consideration of
SENATE BILL 1396, SENATE DRAFT 3 HOUSE DRAFT 1
RELATING TO ECONOMIC DEVELOPMENT**

Senate Bill 1396 SD3 HD1 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.

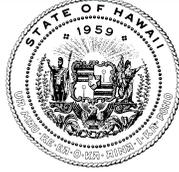
Mahalo for the opportunity to testify in support of this measure.

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](#)

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

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



KALI WATSON
CHAIRPERSON, HHC
Ka Luna Ho'okele

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

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
Ka 'Oihana 'Āina Ho'opulapula Hawai'i

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF KALI WATSON, CHAIR
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEES ON TOURISM AND WATER & LAND
HEARING ON MARCH 20, 2025 AT 9:00AM IN CR 423

SB 1396, SD3, HD1, RELATING TO ECONOMIC DEVELOPMENT

March 20, 2025

Aloha Chairs Tam and Hashem, Vice Chairs Templo and Lamosao and Members of the Committees:

The Department of Hawaiian Home Lands (DHHL) submits testimony in **support with amendments** on this bill which 1) amends the transient accommodations tax rate beginning on 1/1/2027, 2) 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, and 3) appropriates funds to DLNR for protection, management, and restoration of the State's natural resources.

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

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

Thank you for your consideration of our testimony.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



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

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

STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
DEPARTMENT OF DEFENSE
KA 'OIHANA PILI KAUA
HAWAII EMERGENCY MANAGEMENT AGENCY
4204 DIAMOND HEAD ROAD
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STATE OF HAWAII
DEPARTMENT OF DEFENSE
HAWAII EMERGENCY MANAGEMENT AGENCY

TESTIMONY ON SENATE BILL 1396 SD3 HD1,
RELATING TO ECONOMIC DEVELOPMENT

BEFORE THE HOUSE COMMITTEES ON
TOURISM &
WATER AND LAND

BY

JAMES DS. BARROS
ADMINISTRATOR
HAWAII EMERGENCY MANAGEMENT AGENCY

MARCH 20, 2025

Aloha Chairs Tam and Hashem, and Members of both Committees:

Thank you for the opportunity to submit testimony to **SUPPORT** Senate Bill 1396 SD3 HD1.

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

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

This measure prioritizes climate resiliency in economic development projects, further ensuring that the state's infrastructure and tourism industries are better equipped to withstand future climate challenges; hence, HIEMA supports this measure, with the understanding that its passage will not negatively impact the priorities outlined in the Executive Budget.

Thank you for the opportunity to provide testimony supporting Senate Bill 1396 SD3 HD1.

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



Testimony Before The
House Committee on Tourism (TOU)
House Committee on Water & Land (WAL)
IN SUPPORT OF SB1396 SD3 HD1
March 20, 2025, 9:00 a.m., Room 423 Via Videoconference

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

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

KUA supports SB1396 SD3 HD1 with comments, as a step towards 'āina momona.

This bill would increase the Transient Accommodations Tax (TAT) and require the Governor to request an amount of general funds equal to an unspecified percentage of the TAT revenue be expended to advance projects addressing climate change. We appreciate that the preamble of this bill acknowledges that "the community" is a key player and partner with the Department of Defense and others "to provide for the safety, security, and wellbeing of Hawaii's places and people." **We also acknowledge and appreciate the recent HD1 amendments that greatly improve this measure and its effectiveness for addressing negative impacts of climate change and unsustainable tourism practices in Hawai'i.**

However, missing from SB1396 SD3 HD1 is the understanding and recognition that Native Hawaiian cultural values and stewardship practices already hold many of the solutions to prevent and mitigate the climate crisis. Engaging our local communities in direct environmental management and governance, often in collaboration with our state agencies, is key to overcoming the many challenges of our changing climate. As such, **if this measure is passed, we strongly urge that a dedicated portion of the proposed TAT percentage specifically**

support and empower Native Hawaiian and local community-led partners as essential players with governmental agencies and/or private businesses in restoring, protecting, and caring for our shared biocultural resources.

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

Mahalo nui loa for considering our testimony. Please **PASS** SB1396 SD3 HD1.

Aloha ‘Āina Momona no nā kau ā kau.

The Honorable Adrian Tam, Chair and
Members of the Committee on Tourism

The Honorable Mark J. Hashem, Chair and
Members of the Committee on Water & Land

House of Representatives
State of Hawaii
415 S. Beretania Street, Rm. #423
Honolulu, HI 96813

March 20, 2025

Dear Chairs,

RE: OPPOSITION TO SB1396 SD3 HD1,
RELATING TO ECONOMIC DEVELOPMENT



The Hawaii Mid and Short Term Rental (HIMAST) Alliance represents property owners, operators, and businesses who contribute to Hawaii’s visitor industry while working to ensure fair and responsible tourism policies. While we strongly support climate change resiliency and natural disaster mitigation, we oppose SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks transparency, and ties critical state preparedness efforts to an unreliable and volatile funding source.

1. The Undefined Percentage Increase is Opaque and Problematic

This bill does not specify an exact percentage increase to the Transient Accommodations Tax (TAT)—meaning it could change after public testimony has closed and be decided later through budget negotiations. This lack of transparency is unacceptable and prevents residents and businesses from accurately understanding the financial burden this bill would impose. The Legislature should define any proposed tax rate increase upfront in the bill text before seeking public approval.

2. Relying on Tourism for Resiliency Funding is Unstable and Shortsighted

SB1396 SD3 HD1 assumes that tourism will remain a consistent and reliable source of climate resiliency and disaster preparedness funding. However, Hawaii’s tourism industry is highly vulnerable to external events beyond our control, including:

- **Fuel price spikes caused by global conflicts, tariffs, or trade disruptions**, which directly impact air travel costs and visitor arrivals.
- **Pandemics and public health crises**, as we saw with COVID-19, which **devastated** Hawaii’s economy when tourism came to a halt.
- **Recessions and shifts in global travel demand**, which could cause sudden and significant drops in visitor spending.

It is irresponsible to tie our state's ability to fund climate resiliency efforts to such an unpredictable revenue stream. Instead, these efforts should be appropriated from a stable, diversified funding source that does not leave Hawaii vulnerable to sudden revenue shortfalls.

3. Natural Disasters Are Not Caused by Tourism – Funding Should Be Equitably Shared

Climate change, wildfires, tsunamis, hurricanes, and volcanic eruptions threaten Hawaii's residents and businesses, not just visitors. Disaster preparedness should be a shared financial responsibility of all who live and work here, not an extra burden placed solely on tourists and tourism-related businesses.

While visitors should contribute to Hawaii's sustainability, expecting them to be the primary funding source for our state's resiliency efforts is unreasonable. These costs should be distributed fairly across all revenue sources, as we do with public safety, infrastructure, and education.

4. Hawaii's Economy and Small Businesses Will Suffer from Another Tax Hike

Hawaii already has one of the country's highest transient accommodations taxes (TAT). This bill would raise that tax even further, making Hawaii a less competitive destination.

- Visitors to Hawaii are already paying record-high costs for airfare, accommodations, and basic expenses. Adding another tax increase could push them to choose other destinations, ultimately reducing revenue for local businesses.
- Many small operators rely on mid- and short-term rental income to afford their homes, cover high property taxes, and contribute to the local economy. This bill would further squeeze small businesses while large hotels can absorb the costs.

Conclusion: A Responsible Plan Requires Transparency and Stability

SB1396 SD3 HD1 lacks clarity, places resiliency efforts on an unstable funding source, and creates an unfair burden on one industry to solve a problem that affects all of Hawaii.

- Any proposed tax increase must be clearly defined and fixed upfront—an open-ended percentage increase is unacceptable.
- Critical climate resilience funding should come from an equitable, stable, diversified source, covering all residents and businesses, not an unpredictable industry like tourism.

For these reasons, the HIMAST Alliance opposes SB1396 SD3 HD1 in its current form and urges the Legislature to reject this bill unless these fundamental issues are addressed.

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



Maui Hotel & Lodging
ASSOCIATION

COMMITTEE ON TOURISM

Rep. Adrian K. Tam, Chair

Rep. Shirley Ann Templo, Vice Chair

COMMITTEE ON WATER & LAND

Rep. Mark J. Hashem, Chair

Rep. Rachele F. Lamosao, Vice Chair

March 18, 2025

Testimony in **Strong Opposition** to SB1396 SD3 HD1

Aloha Chairs Tam, Hashem, Vice Chairs Templo, Lamosao and committee members,

The Maui Hotel and Lodging Association is in **strong opposition** to SB1396 SD3 HD1, which proposes an increase in the Transient Accommodations Tax (TAT). While we fully recognize the urgent need to address climate change and invest in disaster preparedness, we believe that the proposed hike in the TAT would have devastating effects on Maui's struggling tourism industry.

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

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

We appreciate your consideration of our concerns and respectfully request that SB1396 SD3 HD1 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

COMMITTEE ON TOURISM

Rep. Adrian K. Tam, Chair

Rep. Shirley Ann Templo, Vice Chair

COMMITTEE ON WATER & LAND

Rep. Mark J. Hashem, Chair

Rep. Rachele F. Lamosao, Vice Chair

March 18, 2025

Testimony in **Strong Opposition** to SB1396 SD3 HD1

Aloha Chairs Tam-Hashem, Vice Chairs Templo, Lamosao and committee members,

My name is Lauren Ray and I wish to express my **strong opposition** to SB1396 SD3 HD1, which proposes an increase in the Transient Accommodations Tax (TAT). While I fully recognize the urgent need to address climate change and invest in disaster preparedness, 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.

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 I wholeheartedly support efforts to address climate change and enhance economic resilience, I 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.

I appreciate your consideration of our concerns and respectfully request that SB1396 SD3 HD1 be revisited with an eye toward balancing necessary environmental efforts with the realities facing our local economy.

Mahalo,

Lauren Ray

Hotel Manager

Sheraton Maui Resort & Spa

SB-1396-HD-1

Submitted on: 3/18/2025 12:40:06 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Honorable Chairs and Members of the Senate Committees on Economic Development and Tourism, and Water and Land,

We are writing to express our firm opposition to SB1396 SD3 HD1 on behalf of Honu Hawaii Home LLC, a small business that contributes to the important tourism sector of Hawaii. This bill proposes an increase in taxes and links critical disaster preparedness funding to tourism revenue, which is an unstable and lacks a longterm financial strategy. These proposed changes threaten to exacerbate the already high cost of visiting Hawaii, potentially deterring visitors at a time when the global economic climate is fraught with uncertainty.

The lack of transparency in not specifying the tax rate increase prior to the closure of public testimony is also problematic. It is essential for businesses and taxpayers, like Honu Hawaii Home, to understand the financial implications of new legislation. Not providing those crucial details in a proposed bill undermines the public's ability to fully respond and decide whether to support or oppose the initiative. Furthermore, imposing this financial burden solely on the tourism sector is not only unfair but also detrimental to small businesses like ours that rely on a steady influx of visitors. We definitely support measures for climate resilience and disaster preparedness, but these should not come at the expense of the economic health of the tourism industry upon which so many local businesses depend.

We urge you to reject this bill and conduct more extensive research on the long-term impacts of that this bill will likely have on Hawaii's economy before submitting any new proposals. Sustainable and equitable solutions are needed that do not place a disproportionate burden on one sector of our economy.

Thank you for considering our perspective.

Respectfully, Sonny Cave & Stefanie Workman, Owners, Honu Hawaii Home LLC



March 18, 2025

Representative Adrian Tam, Chair
House Committee on Tourism
Representative Mark Hashem, Chair
House Committee on Water and Land
Hawaii State Legislature

Opposition to SB1396 SD3 HD1

Dear Chair Tam, Chair Hashem and Members of the Committees on Tourism and Water and Land,

Thank you for the opportunity to provide our testimony in opposition to SB1396 SD3 HD1.

Until the State of Hawaii, and all four counties have shown that they are fairly and equitably collecting the Transient Accommodations Tax (TAT) and General Excise Tax (GET) that are legally due from all accommodations types – hotels, timeshares and short-term vacation rentals - the Kohala Coast Resort Association (KCRA) will oppose any increases.

The KCRA conducts an economic and community impact report every two years. Through our attached 2024 report, it appears that the hotels and timeshares on the Kohala Coast paid the vast majority of the TAT collected from our island – more than \$75.7 million. And yet we represent only a portion of the hotels, timeshares, and short-term vacation rentals located on Hawaii Island.

Granicus/Host Compliance, which aggregates data from the hosting platforms and works with governments across the country, has been delving into the impact of unpaid TAT in Hawaii. They work with the County of Kauai and the City and County of Honolulu, and have provided proposals to the State Department of Taxation and Hawaii County. Granicus showed there were more than 8,700 unique short-term vacation rentals operating on Hawaii Island as of November 2024, with an average daily rate of \$347/night, and occupancy of 50%, based on DBEDT's vacation rental reports. If the TAT were equitably enforced and collected, those operators should have paid \$56.4M in TAT to the state, and \$16.5M in TAT to Hawaii County. And yet the budget line item for Hawaii County TAT for fiscal year 2023-24 was \$24M, \$17M of which was paid only by the members of the KCRA, leaving only a balance of \$7M. **The math just doesn't add up.**

Therefore, before the Hawaii State Legislature considers raising the TAT for any purpose, we believe it needs to fully enforce and collect the TAT and GET it is owed from all accommodations types.

Visitation to Hawaii is not a given. Visitors have more opportunities than ever before to visit destinations around the world. And Hawaii already has the reputation of having some of the highest visitor taxes in the world, as this article from the January 25, 2025 edition of *Travel+Leisure* attests - [What to Know About the Proposed Tourist Fee in Hawaii](#). Hawaii's high visitor taxes aren't just being discussed by lawmakers and the visitor industry, the visitors themselves, especially corporate meeting planners, are using our high visitor taxes as a justification to take their business to other destinations like Florida, the Caribbean and Mexico.

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

Sincerely,

A handwritten signature in black ink that reads "Stephanie P. Donoho".

Stephanie Donoho, Administrative Director

PO Box 6991, Kamuela, HI 96743 * (808) 747-5762 * kohalacoastresortassn@gmail.com * www.kohalacoastresorts.com



2024 Executive Summary - KCRA Economic and Community Impacts

- ❖ The Kohala Coast consists of a twenty-mile stretch on the northwest shore of the Island of Hawaii. The Kohala Coast is a part of both the North Kona and South Kohala districts of Hawaii County. The KCRA was established in 1984 by the developers of the master-planned resorts along the Kohala Coast. Over the last 40 years, the KCRA has grown to include Hualalai, Waikoloa, Mauna Lani and Mauna Kea Resorts, as well as the hotel and timeshare management companies located within those resorts.
- ❖ KCRA members have invested billions of dollars in private funding to develop and maintain the infrastructure within the resorts, which are utilized and enjoyed by residents and visitors alike. These include roadways, water, wastewater, parks, restrooms, shopping centers, historic sites, interpretive signage, and community facilities.
- ❖ When combined, the amount paid by KCRA members for GET, TAT, property taxes, payroll for their employees, construction and renovation projects, marketing efforts, agricultural enhancements, and charitable donations sums to more than \$815 million for 2023 alone.
- ❖ KCRA members operate 2,718 hotel rooms and 1,229 timeshares. The resorts also contain 778 resort residential units, home to both full and part-time Hawaii residents, as well as legal short-term vacation rentals. KCRA resorts also include shopping centers, golf courses, spas, and restaurants representing more than 100 small businesses.
- ❖ KCRA members represent 5 of the top 10 private employers on the island according to *Pacific Business News*. Collectively KCRA members employ nearly 5,500 residents, supporting more than 17,000 community members.
- ❖ The average salary and benefits package for employees of KCRA member properties is nearly \$82,000 per year, with starting salaries for full-time positions in the mid-\$50K. Starting hourly rates for employees average more than \$17.50/per hour.
- ❖ The vast majority of KCRA members' employees live in zip codes neighboring the Kohala Coast (96738, 96740, 96743, 96755, 96727). Less than 8 percent of KCRA members' employees live in East Hawaii (from 2022 report).
- ❖ In 2023 KCRA members paid more than \$44.3 million in GET and **\$75.7 million in TAT to the State of Hawaii and County of Hawaii**. KCRA's members, as well as the businesses and residents within our resorts, paid nearly \$151 million in property taxes to Hawaii County in 2023, accounting for more than one-third of all property taxes.
- ❖ Member resorts have spent more than \$658 million on construction and renovations since 2020. We also welcomed back Kona Village, which had been a previous member, was destroyed by the 2006 tsunami, and came back online in 2023. These construction upgrades allow Hawaii County to keep its competitive advantage as a visitor destination, while creating numerous jobs for other residents statewide in the construction industry. During the next six years our members will invest nearly \$1 billion more, including major hotel renovations at Mauna Kea Beach Hotel, and the creation of the first affordable rental housing project within a resort footprint in the State of Hawaii, with the development of Kumu Hou at Waikoloa Resort.
- ❖ KCRA members actively participate in the Hawaii Island Destination Management Action Plan (DMAP) and have led efforts on Hawaiian cultural education programming for visitors; promotion of local agricultural products through their restaurants and retail outlets; as well as stewardship and maintenance of the natural resources along the coastlines where resorts are located. KCRA resort employees supplement the work of our first responders and emergency services with privately funded safety and security personnel and lifeguard programs benefiting visitors and residents alike. In addition, KCRA members actively participate in the marketing and management activities of the destination, supplementing the funding allocated to the Hawaii Tourism Authority and Island of Hawaii Visitors Bureau, spending nearly \$200 million in private funds in the last four years.

- ❖ KCRA is proud that the leadership teams for our hotels, timeshare management companies and resorts are comprised of hundreds of local residents. At seven of our member properties more than 40% of their managers are from Hawaii, with one property leading our efforts with 85% of its management team from the state.
- ❖ KCRA members are incredibly generous, collectively donating more than \$2 million annually to local non-profit organizations. One signature event, hosted at KCRA member properties, is the Hawaii Lodging and Tourism Association's annual Visitor Industry Charity Walk. Since its inception more than 40 years ago, the Charity Walk has raised nearly \$20 million for local charities, and new fundraising records are established each year.
- ❖ In addition to their substantial financial contributions, employees at KCRA member properties also volunteer thousands of hours annually to community organizations. As leaders within their respective resort communities, KCRA members also introduce part-time and full-time residents who live in their respective resorts to philanthropic opportunities across the island and the state. As a collective, we work hard to address the high cost of living for members of our community who fall into ALICE designations.
 - KCRA members regularly support the Hawaii Island Food Basket, Salvation Army food drives, and their chefs and culinary teams provide support for community meal programs, such as the one at St. James Episcopal Church in Waimea, which reaches more than 950 families each week.
 - KCRA members are highly invested in environmental causes including: Four Seasons Resort Hualalai's Legacy Trees initiative, where more than 65,000 koa trees have been planted to protect watersheds; Mauna Kea Resort's partnerships with the Nature Conservancy and Hawaii Island Land Trust; and Fairmont Orchid's partnership with the Waikoloa Dry Forest initiative. KCRA members' employees and family members regularly gather for beach and road cleanup projects all along the Kohala Coast.
 - Many KCRA members volunteer with different hula 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



The Honorable Adrian Tam, Chair on Tourism, and
The Honorable Mark J. Hashem, Chair on Water & Land
And Committee Members

March 18, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

OSTRA represents legal rental property owners on Oahu. We oppose SB1296 SD3 HD1 because it proposes an undefined TA tax increase, lacks fiscal transparency and places a disproportionate burden on a single segment of our economy that many rely upon for their very survival. This is **NOT THE RIGHT TIME** to raise the cost of staying on our islands. Per the HTA Data Warehouse, 12% of Oahu's visitors are non-vacationers. Many of our residents can only afford staycations during these uncertain times. Do we really want to charge our residents and essential workers 20% on top of their rental rates? Please consider the following points:

1. **Climate Change Preparedness Should be Everyone's Responsibility** - It is unfair to place this economic burden entirely on the tourism sector, especially during these uncertain times. Funding should be planned responsibly within the state budget through stable revenue sources.
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. **Lack of Strong Tax Collection/ Audit Practices** - Both the TA and GE taxes rely heavily on the "honor system". This should be fixed before any new taxes are added. Otherwise, those that follow the rules will continue to subsidize those that don't.

Hawaii's economic stability depends on maintaining a competitive tourism industry while ensuring fiscal responsibility, particularly in light of significant federal funding costs. SB1396, SD3, HD1 introduces unnecessary financial risk at a precarious time, potentially reducing visitor demand and compromising long-term revenue. We urge the Committee to reject SB1396, SD3, HD1 and pursue alternative funding mechanisms that do not jeopardize Hawaii's tourism economy. Mahalo for your time and consideration.

Respectfully submitted,

Kelly Lee

President and Executive Director,

OSTRA - Oahu Short Term Rental Alliance



**JOINT COMMITTEE ON TOURISM &
WATER AND LAND**

DATE: Thursday, March 20, 2025

TIME: 9:00 AM

Strongly Oppose SB1396

Aloha Chairs Tam/Hasham, Vice Chairs Templo/Lamosao and committee members,

My name is Antoinette Davis. It has been my honor to represent the Activities and Attractions Association of Hawaii (A3H), a not-for-profit 501c6 trade organization, as its executive director since 1997 (28 years). **A3H strongly opposes SB1396 due to the detrimental impact this will have on Tourism's most vulnerable small businesses.**

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

Currently, Hawaii has the highest TAT in the nation, and evidence from 2023 and 2024 indicates that higher taxes lead to reduced spending by visitors in other areas rather than an increase in their overall per-person per-trip expenditure.

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

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

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



P.O. Box 1662
Honolulu, HI 96806

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

TESTIMONY IN SUPPORT OF SB1396 SD3 HD1

House of Representatives
Committee on Tourism
Committee on Water & Land

Hearing Date: March 20, 2025 at 9:00 am
Conference Room 423 & 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 SB1396 SD3 HD1, which aims to increase the transient accommodations tax and dedicate the additional funding towards environmental stewardship, and the care of our biocultural resources that sustain Hawai'i.

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

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

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

As an amendment to the bill, I would like to see the **inclusion of a community grant program to work in partnership with the Department of Land & Natural Resources to fulfill our stewardship needs.**

DLNR cannot do it alone. Let us all pitch in to help. We could do so much more together.

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

Aloha,

Testimony in opposition of SB 1396, SD3, HD1

Aloha Chair and Members of the Committee,

I'm writing in strong opposition of SB 1396. This bill proposes a \$20 nightly tax 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 SB 1396 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 18, 2025

Rep. Adrian K. Tam, Chair HCT
Rep. Mark J. Hashem, Chair
Members of the Joint Committee on Tourism and Water and Land
Hawaii House of Representatives
State Capitol
415 South Beretania Street
Honolulu, HI 96813

Re: Comments SB 1396 - Relating to Economic Development

Aloha Chair Tam, Chair Hashem, 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 Senate Bill 1396 (SB 1396).

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 SB 1396.

Mahalo nui loa,

A handwritten signature in black ink, appearing to read "Jon Kimball".

Jon Kimball
Market Vice President - Hawaii
Marriott International

**Testimony of The Nature Conservancy
Supporting SB1396 SD3 HD1, Relating to Economic Development.
Committee on Tourism
Committee on Water & Land
March 20, 2025 at 9:00 am
Conference Room 423 and via Videoconference**

Aloha Chairs Tam and Hashem, Vice Chairs Templo and Lamosao, and Members of the Committees:

Mahalo for the opportunity to testify today. The Nature Conservancy (TNC) Hawai'i and Palmyra supports SB1396 SD3 HD1, which appropriates funds for Department of Land and Natural Resources (DLNR) for protection, management, and restoration of the State's natural resources and increases the transient accommodation tax rate beginning on 1/1/2027.

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

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

SB1396 SD3 HD1 is one clear pathway to protecting, restoring, and enhancing Hawai'i for our local communities and the visitors we share it with, for future generations and beyond. By establishing a clear climate resilience fund, we ensure that our State makes the long-term, sustained investments to care for our 'āina and reduce risk to our communities. However, we encourage the legislature to ensure that the proposed mechanisms in this bill align with the scale of our challenges and make use of the strong expertise already in place in our State government.

Mahalo for the opportunity to testify in support of SB1396 SD3 HD1.

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

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HOUSE COMMITTEES ON TOURISM and WATER AND LAND

MARCH 20, 2025

SB 1396, SD2, HD1, RELATING TO STATE FUNDS

POSITION: SUPPORT

Coalition Earth **supports** for SB 1396, SD2, HD1, relating to economic development, 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; and appropriates funds to DLNR for protection, management, and restoration of the State's natural resources.

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

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

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

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

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

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

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

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

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

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

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

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



HAWAI'I LAND TRUST

House Committee on Tourism
House Committee on Water & Land

Date: Thursday, March 20, 2025

Time: 9:00 AM

Place: Via Video Conference & Conference Room 423

Re: SUPPORT – SB1396 SD3 HD 1, Relating to Economic Development

Aloha e Luna Ho'omalua Tam, Luna Ho'omalua Hashem, Hope Luna Ho'omalua Templo, Hope Luna Ho'omalua Lamosao a me nā Lālā o nā Kōmike:

Hawai'i Land Trust **SUPPORTS** SB1396 SD3 HD1, which addresses the urgent need of climate action while supporting the long-term health of Hawai'i's communities, natural resources, an economy. This measure recognizes that climate resilience and economic stability are interconnected and helps to ensure that resources are directed toward projects that protect Hawai'i's natural and cultural heritage, enhance disaster preparedness, and support tourism destination management.

Hawai'i faces increasingly severe climate impacts – rising sea levels, prolonged droughts, and devastating natural disasters – that threaten not only our ecosystems but also the resiliency of our communities and stability of our economy. SB1396 SD3 HD1 provides a framework to invest in projects that strengthen climate resilience, protect ecosystems, and support Hawai'i's economy as it adapts to these growing challenges.

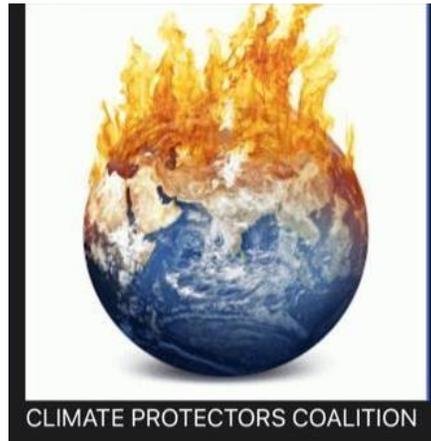
We support continued efforts to strengthen funding commitments to ensure that climate resilience remains a priority. By investing in projects that address climate risks while fostering sustainable economic growth, this measure helps ensure that Hawai'i's communities can adapt and thrive for generations to come.

I ola ka 'āina, ola kākou nei. Healthy lands support thriving communities. SB1396 SD3 HD1 is a critical step toward building a more resilient and sustainable Hawai'i.

Mahalo for this opportunity to testify,

'Olu Campbell

President and Chief Executive Officer



To: The Honorable Chairs Adrian Tam and Mark Hashem, the Honorable Vice Chairs Shirley Ann Templo and Rachele Lamosao, and Members of the Committees on Tourism and Water and Land.

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

Re: Hearing **SB1396 SD3 HD1 RELATING TO ECONOMIC DEVELOPMENT**

Hearing: Thursday March 20, 2025 9:00 a.m. Rm.423

Aloha Chairs Tam and Hashem, Vice Chairs Templo and Rachele Lamosao, and Members of the Committees on Tourism and Water and Land!

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

Hawai'i Reef and Ocean Coalition and Climate Protectors Hawai'i **STRONGLY SUPPORT SB1396 SD3 HD1!**

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

This bill would increase the Transient Accommodations Tax by \$20 per night beginning 1/1/2027 in exchange for points, mileage or other amounts provided through a membership, loyalty or rewards program and appropriates funds to the DLNR for protection, management, and restoration of the State's natural resources.

Keeping our natural resources pristine and healthy is essential to attract visitors to our islands. Polling has shown strong and persistent support for a visitor fee to fund the maintenance of natural resources. **It is not clear that an extra \$20 per night will deter many tourists from coming to Hawaii, but failure to keep up our natural resources surely will! We have been underfunding natural resource protection by at least \$560 million per year. Eliminating this funding gap will make us more resilient, save our State millions of dollars in disaster recoveries, create jobs, and sustain our economy.**

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

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

Mahalo!

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

SB-1396-HD-1

Submitted on: 3/18/2025 8:17:05 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Mary Margaret Kerstulovich	South Maui Fish Company	Oppose	Written Testimony Only

Comments:

Aloha. My name is Mary Kerstulovich and I own a small food truck in Kihei Maui Hawaii.

I am a small business owner that employs local residents!!! . 9 direct employees, 1 social media manager, 1 bookkeeping company, we buy local caught fish from local fishermen and buy 99% of our items for service from local vendors. We pay for 100% health insurance for our full time employees and we love what we do for our community. Not only by providing a quality food product that is locally sourced but also supporting our local schools and various other things around Kihei. We were a huge supporter of the Lahaina fires a hub for ma, became a hub for many months, fed people and advocated for funds form the various schools here in South Maui for the west side students who integrated into our systems after the fires.

We are already operating on a small margin and the decrease in tourism has hit us hard. The county and the mayor has decimated tourism with don't come, stay away, higher prices on everything from taxes to GET and now there is talk of increased fees for all tourist related things. Rental car taxes.... ETC

Pick one. Do you want your income to come from tourism or do you want people to stay away? The disparity of the rich coming here (that don't leave the hotels) vs an everyday family that saves for years to come here is becoming more and more apparent with time.

Raising taxes,....that get passed along to visitors is not a solution. It is a death sentence to small business.

**IF YOU WANT TO FIND SOLUTIONS THEN FIND THE RIGHT PERSON
OR PEOPLE FOR THE JOB!**

Do your economic study. Stop focusing on affordable housing and understand its not affordable you are looking for....its subsidized housing you need for long time locals and the elderly!

Stop the 5% ofr the islands land can be developed...find the land to build homes.

You can start by stopping the narrative to stay away. You can put money toward marketing to California but that money is wasted as the costs rise here so most people can't afford it. Start

finding a balance for income that supports your locals vs what income supports big business and hotel guests....

Keep Maui's money here where it belongs. Oahu should not have to take the funds for its infrastructure. .

Start a lottery to keep funds in local areas???

I do know what you have done since COVID (quality visitors not quantity) and the Horrible fires of Lahaina.(stay away, we need you, stay away we are taking away 7000 vacation rentals) ThiS IS NOt WQRKING

Maybe Maui County needs a re-boot and a fresh brain to look at the long term issues that are eroding our community

SB-1396-HD-1

Submitted on: 3/18/2025 9:56:38 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
laurel brier	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. This important environmental stewardship fee will benefit visitors, residents and the 'āina . It is something our family is familiar with as regular travelers to New Zealand.

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

Hawai'i State House of Representatives
Committees on Tourism & Water and Land
SB1396 – Relating to Economic Development

RE: Support of SB1396

March 20, 2025

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

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

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

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

Me ka ha'aha'a,

Madelyn McKeague
Director of Advocacy, CNHA

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT GOVERNOR



Hawaii Green Infrastructure Authority

An Agency of the State of Hawaii

JAMES KUNANE TOKIOKA
CHAIR

GWEN S YAMAMOTO LAU
EXECUTIVE DIRECTOR

Testimony of
Gwen Yamamoto Lau
Executive Director
Hawaii Green Infrastructure Authority
before the
House Committee on Tourism
and
House Committee on Water & Land
Thursday, March 20, 2025, 9:00 AM
State Capitol, Conference Room 423
in consideration of
Senate Bill No. 1396, SD3, HD1
RELATING TO ECONOMIC DEVELOPMENT

Chairs Tam and Hashem, Vice Chairs Templo and Lamosao and Members of the Committees:

Thank you for the opportunity to testify in **support** of SB1396, SD3, HD1, relating to economic development.

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

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

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

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

Thank you for this opportunity to testify and provide comments on SB 1396, SD3, HD1.



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Dear Chair Lowen, Vice Chair Perruso, and Members of the Committee,

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

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

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

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

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

Thank you for your consideration.

Hawai'i Ocean Legislative Task Force



March 20, 2025

Hawai'i State Legislature
House Committee on Tourism
House Committee on Water & Land

Re: Testimony in SUPPORT of SB1396 SD3 HD1, Relating to Economic Development

Aloha Chairs Tam & Hashem, Vice Chairs Templo & Lamosao, and Members of the Committees,

The Ocean Legislative Task Force, a coalition of over 100 individuals and organizations committed to protecting Hawai'i's marine ecosystems, supports SB1396 SD3 HD1, Relating to Economic Development. This bill increases the transient accommodations tax and imposes a \$20 per night tax on transient accommodations booked using membership, loyalty, or rewards points, with the revenue directed toward protecting, managing, and restoring Hawaii's natural resources through the Department of Land and Natural Resources.

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

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

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

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

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



Care for 'Āina Now Coalition

March 20, 2025

House Committee on Tourism
Rep. Adrian Tam, Chair
Members of the Committee

House Committee on Water & Land
Rep. Mark Hashem
Members of the Committee

Re: The Imperative of Allocating Adequate Funding to Protect Natural Resources
Support SB1396 SD3 HD1, Relating to Economic Development

Aloha kākou,

On behalf of our coalition's leadership committee, we are writing to support SB1396 SD3 HD1 to generate funding for natural resource protection and restoration. The Care for 'Āina Now Coalition is on a mission to enhance visitor stewardship, conserve our cultural and natural resources, and invest in our 'āina to keep our community safe.

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

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

In addition, we request that the committee include DHHL, the Office of Hawaiian Affairs, and the Office of Planning and that at-large members to have expertise in climate science, adaptation, or resilience.

Hawai'i's natural resources are the foundation of our islands' health, safety, and economic well-being. Clean water, healthy forests, intact coral reefs, and stable coastlines are not luxuries—they are necessities for our survival that protect our communities from wildfire, coastal storm surge, and flooding and storm-related erosion events. We commend the legislature for its past leadership, particularly in declaring a climate emergency, and urge continued action to implement policies that translate this declaration into concrete solutions.

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

In closing, we appreciate the opportunity to provide these comments on SB1396 SD3 HD1. We urge the legislature to use this measure as a foundation for further action, ensuring that Hawai'i commits the necessary investments to protect our islands. By doing so, we honor our kuleana to safeguard our natural heritage for all who call this place home—now and in the future.

Thank you for the opportunity to comment on this measure.

SB-1396-HD-1

Submitted on: 3/19/2025 9:00:27 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kawika Riley	Kupu	Support	Written Testimony Only

Comments:

Aloha Chairs Tam and Hashem, Vice Chairs Templo and Lamosao, and Honorable Members of the Committees on Tourism and Water and Land,

Mahalo nui for the opportunity to testify in strong support of SB 1396, Relating to Economic Development.

Kupu is a statewide nonprofit founded and headquartered in Hawai'i, providing youth and young adults with opportunities to learn, serve, and work in ways that restore environments and communities. Given our focus on providing youth with opportunities to see their love for the environment as the foundation of a career and calling, it gives us hope to see legislation like SB 1396 progress through the state legislature. Their futures in Hawai'i as our state's foresters, farmers, environmental engineers, conservation scientists and sustainability entrepreneurs are brighter if and when funding is available to support their work.

If enacted, this legislation could increase Hawai'i's capacity to protect its land, waters and people against the dangers of a warming world. As recent tragedies like the 2023 Maui firestorm demonstrated, these threats are not hypothetical and not a risk for the distant future: they are here now. Hawai'i can make changes now to protect ourselves from these threats, but it requires funding to do so.

In addition to being necessary to protect land and lives, the funding mechanism in this bill is appropriate. The millions of visitors who come to our islands, however well-intended, make the management of state trails, fresh waters, forests, and shorelines more complex and more expensive. Their means of transportation to our islands also, in itself, contributes to the warming of our planet. Hawai'i's visitors and the industry that serves them rely upon a Hawai'i that is not just safe, but beautiful. If we fail to protect our islands from

extreme weather risks and climate shocks and stressors, we may lose the foundation upon which Hawai'i's tourism industry rests.

Recently released public polling has shown us that most past and likely visitors to Hawai'i would not be deterred by requirements to contribute financially to Hawai'i's environment as part of their visit. In fact, one in four may be more (not less) likely to visit if such a requirement was in place. We see this as an opportunity to welcome the kinds of visitors who see Hawai'i as a place worth caring for, and who want to be part of the solutions we need.

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

Please pass SB 1396.

Kāwika Riley,

Vice President, Kupu



RESOURCES LEGACY FUND®
CREATIVE SOLUTIONS. LASTING RESULTS.

DATE: March 20, 2025

Re: Support for SB1396 SD3 HD1, Relating to Economic Development

Aloha Chairs Tam & Hashem, Vice Chairs Templo & Lamosao, and Members of the Committees,

On behalf of Resources Legacy Fund, I am writing to express our support for SB1396 SD3 HD1, Relating to Economic Development. This bill increases the transient accommodations tax and imposes a \$20 per night tax on transient accommodations booked using membership, loyalty, or rewards points, with the revenue directed toward protecting, managing, and restoring Hawai'i's natural resources through the Department of Land and Natural Resources.

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

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

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

This measure is more than an environmental safeguard—it is an investment in the safety of our communities and in Hawai'i's future. By linking tourism to stewardship, SB1396 SD3 HD1 helps preserve Hawai'i's natural and cultural resources while supporting its tourism economy.

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

Thank you for the opportunity to testify.

SB-1396-HD-1

Submitted on: 3/19/2025 9:40:43 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lea Hong	Care for 'Aina Now Leadership Committee	Support	Remotely Via Zoom

Comments:

Lea Hong on behalf of Care for 'Aina Now Leadership Committee and Trust for Public Land supports SB 1396.



March 19, 2025

The Honorable Representative Adrian K. Tam
Chair, The Hawaii State House Committee Tourism

And;

The Honorable Representative Mark J. Hashem
Chair, The Hawaii State House Committee on Water and Land

Subject: Comments / Offering Suggested Amendments to SB1396 HD1

Aloha Chair Tam, Chair Hashem, and Honorable Members of the House committees on 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 SB1396 HD1. 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.

We suggest adding 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 which adds a new section (f) under HRS 237D-2, 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 HRS 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.

We suggest amending HRS 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.

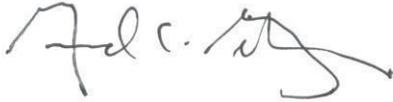
Our hotels compete against global markets that offer similar destination experiences at a fraction of the cost. We are particularly concerned about the impact on key markets like Japan. DBEDT data indicates that Japanese visitor arrivals remain significantly below 2019 levels, with feedback consistently 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 SB1396 HD1. On behalf of our more than 160 collective member properties and their 110,00 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)
Kekoa 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

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

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

BILL NUMBER: SB 1396 SD 3 HD 1

INTRODUCED BY: House Committee on Energy & Environmental Protection

EXECUTIVE SUMMARY: 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 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.

EFFECTIVE DATE: July 1, 3000.

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

The bill includes unspecified tax rates and otherwise contains blanks for important information. The bill cannot be scored for revenue gain/loss in its current form, and cannot be vetted properly unless numbers are inserted. 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.

Digested: 3/18/2025

March 20, 2025, 9 a.m.
Hawaii State Capitol
Conference Room 423 and Videoconference

To: House Committee on Tourism

Rep. Adrian K. Tam, Chair
Rep. Shirley Ann Templo, Vice Chair

House Committee on Water & Land

Rep. Mark J. Hashem, Chair
Rep. Rachele F. Lamosao, Vice Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

RE: TESTIMONY IN OPPOSITION TO SB1396 SD3 HD1 — RELATING TO ECONOMIC DEVELOPMENT

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

The Grassroot Institute of Hawaii would like to offer its comments **in opposition** to [SB1396 SD3 HD1](#), 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 the bill 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, SB1396 HD1 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 remove a threat to Hawaii's economic outlook and help restore public confidence in our lawmakers and the legislative process.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

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.



March 19, 2025

The Honorable Representative Adrian K. Tam
Chair, The Hawaii State House Committee Tourism

And;

The Honorable Representative Mark J. Hashem
Chair, The Hawaii State House Committee on Water and Land

Subject: Comments / Offering Suggested Amendments to SB1396 HD1

Aloha Chair Tam, Chair Hashem, and Honorable Members of the House committees on 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 SB1396 HD1. 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.

We suggest adding 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 which adds a new section (f) under HRS 237D-2, 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 HRS 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.

We suggest amending HRS 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.

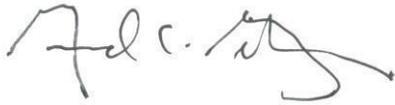
Our hotels compete against global markets that offer similar destination experiences at a fraction of the cost. We are particularly concerned about the impact on key markets like Japan. DBEDT data indicates that Japanese visitor arrivals remain significantly below 2019 levels, with feedback consistently 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 SB1396 HD1. On behalf of our more than 160 collective member properties and their 110,00 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)
Kekoa 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
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEES ON TOURISM and WATER & LAND
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 423
Thursday, March 20, 2025 AT 9:00 A.M.**

To The Honorable Adrian K. Tam, Chair
The Honorable Shirley Ann Templo, Vice Chair
Members of the Committee on Tourism

To The Honorable Mark J. Hashem, Chair
The Honorable Rachele F. Lamosao, Vice Chair
Members of the Committee on Water & Land

OPPOSE SB1396 SD3 HD1 RELATING TO ECONOMIC DEVELOPMENT

The Maui Chamber of Commerce **OPPOSES SB1396 SD3 HD1** 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, retail, and other businesses that they are struggling, and a higher TAT would further burden these businesses, leading to reduced spending in industries that rely on the visitor market.

We are deeply concerned about the impact 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.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

SB1396 SD3 HD1
March 20, 2025
Page 2

Additionally, the TAT not only impacts visitors, but is charged to residents traveling interisland for business, sports games and other youth activities, staycations, and more. For many, it is already difficult to travel and stay overnight at a neighbor island due to the cost. Increasing the TAT may make even the more affordable hotels unaffordable to our residents.

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

For these reasons, we **OPPOSE SB1396 SD3 HD1**.

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.



March 19, 2025

Representative Adrian Tam and Representative Mark Hashem
415 South Beretania Street
State Capitol
Conference Room 423
Honolulu, HI 96813

Re: SB 1396 SD3 HD1, relating to economic development

Dear Chair Tam, Chair Hashem, Vice Chair Templo, Vice Chair Lamosao, members of the House Committee on Tourism, and members of the House 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 SB 1396 SD3 HD1 and for your efforts to protect and invest in Hawai‘i’s natural resources.

We are supportive of SB 1396 SD3 HD1’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 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 was included in SB 1396 as introduced.

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 per night tax.



If, as proposed in SB 1396 SD3 HD1, 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



**Honorable Adrian Tam, Chair, Committee on Tourism,
Honorable Mark J. Hashem, Chair, Committee on Water & Land
Hawai'i State Legislature
House of Representatives
415 S. Beretania Street, Rm. #423**

March 19, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

Our names are Marci Cortisse and Billy Dirksen, and we are business partners in the Hawai'i vacation rental industry. Together, we employ 45 hardworking local residents who depend on this industry to support their families, pay their rent, and put food on their tables. We are writing to express our strong opposition to SB1396 SD3 HD1 because it threatens not only our livelihood but also the livelihoods of the people we employ and the communities we serve.

This bill proposes an undefined tax increase on an already heavily taxed industry, without clear numbers or transparency. How can small businesses like ours plan for the future when we don't even know what we will be expected to pay? If this tax goes up yet again, it won't just impact our business—it will impact our employees, their families, and the countless small businesses that rely on tourism to survive.

Unlike large hotels and corporate-owned resorts, our business is locally operated. We don't have deep pockets to absorb new costs. Every dollar matters. The income we generate supports real people—maintenance workers, housekeepers, reservation agents, and property managers—many of whom have lived in Hawai'i their entire lives and struggle daily with the rising cost of living. These aren't faceless corporations; they are our team, our 'ohana.

The Unfair Burden on One Industry Disaster preparedness is a responsibility we all share as residents of Hawai'i. Wildfires, hurricanes, and tsunamis are not caused by tourism; they are an unfortunate reality of living in the islands. It is simply unfair to place the burden of funding disaster preparedness on one unpredictable sector of the economy. The revenue should come from stable sources, not a tax that fluctuates with visitor numbers.

Hawai'i's Competitive Edge is at Risk Hawai'i already has one of the highest lodging taxes in the nation. If we keep increasing taxes on visitors, they will choose other destinations. We're already seeing travel costs rise, and another tax hike could be the tipping point that

drives visitors away. Less tourism doesn't just mean lower revenue for vacation rentals—it means less business for local restaurants, shops, tour operators, and the thousands of people who rely on this industry.

At a time when so many local businesses are still recovering from the devastating economic impacts of the pandemic and recent wildfires, we cannot afford to make Hawai'i an even more expensive and less attractive place to visit.

Please Consider the Real-World Impact This isn't just about numbers on a page. It's about real people. It's about the 45 employees who count on our business for their paychecks. It's about the families they support. It's about our ability to keep our doors open, to keep hiring local workers, and to keep contributing to our communities.

We urge you—please do not pass SB1396 SD3 HD1. Let's work together to find fair and sustainable solutions for funding disaster preparedness, rather than placing the burden on one struggling sector. Our local businesses, employees, and families deserve better.

Mahalo for your time and consideration.

Sincerely,

Marci Cortisse

Director of Operations, Owner

Billy Dirksen

General Manager, Owner

SB-1396-HD-1

Submitted on: 3/17/2025 2:52:02 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

\$20 on top of already a 20% tax is a lot when the room is cheap. With a \$400+ cost per night, it's nothing. If anything, it should be a percentage. If it's too difficult, then don't do it.

SB-1396-HD-1

Submitted on: 3/17/2025 3:19:44 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Cat Orlans	Individual	Oppose	Written Testimony Only

Comments:

Re: Testimony in Strong Opposition to SB1396 HD1 – Request for Exemption for Native Hawaiians

Aloha, Honorable Chair and Members of the Committee,

I am writing in strong opposition to the proposed increase in the Transient Accommodations Tax (TAT) as outlined in Senate Bill 1396. While I fully support the goals of funding sustainability and environmental protection efforts in Hawai‘i, I believe that this proposed tax unfairly burdens Hawaii residents, particularly those who do not just travel in the state for leisure but also live, work, and access essential services like healthcare here.

Hawai‘i residents, including Native Hawaiians, rely on the state’s natural resources for much more than just recreation or tourism—they are an integral part of our daily lives and cultural practices. For Native Hawaiians, the right to access these lands is not just a matter of convenience but is constitutionally protected as part of our rights to practice traditional and customary cultural practices. The current proposal fails to recognize this fundamental distinction.

Opposition to the Tax Increase:

The increase in the TAT will place a heavier financial burden on local residents who depend on these resources in a wide variety of ways—not only for tourism but also for livelihoods, healthcare, and daily sustenance. Raising the TAT will further exacerbate the cost of living for people who call Hawaii home. This tax should not disproportionately impact residents, especially those who are not part of the tourism sector, as many of us are already bearing the weight of rising living costs.

Recommendation for Exemption for Native Hawaiians:

Given the state’s constitutional duty to protect Native Hawaiian cultural access to lands and resources, I urge the legislature to include a specific exemption in the bill for Native Hawaiians. This exemption would recognize the unique relationship Native Hawaiians have with the land and honor our rights to access public lands for traditional and customary uses, such as gathering resources for cultural, subsistence, and religious purposes.

Native Hawaiians should not be subject to a tax that affects essential access to lands and resources that are crucial for maintaining cultural practices and sustenance. The bill, as written, overlooks the importance of protecting these rights and fails to consider the historical and legal protections that should exempt Native Hawaiians from such a tax.

Conclusion:

While I understand the need to increase funding for environmental protection and sustainability, I strongly oppose this tax increase for Hawaii residents, especially when it fails to account for the unique position of Native Hawaiians and the constitutional protections that are afforded to us. I respectfully urge the legislature to amend this bill to include a clear exemption for Native Hawaiians to ensure that our rights to access public lands continue to be protected.

Thank you for your consideration, and I sincerely hope you will support these necessary changes to ensure fairness and respect for the Native Hawaiian community.

Mahalo nui loa,

Catherine Orlans

SB-1396-HD-1

Submitted on: 3/17/2025 3:43:37 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

I strongly oppose this proposal to saddle our guests with the cost of addressing climate change. We cannot continue to keep raising taxes on our visitors and guests and expect them to keep emptying their wallets for every statewide need and want. I believe that climate change is everyone's responsibility and this should be a general fund line item. I firmly support climate change initiatives but NOW IS NOT THE TIME for another tax on tourists.

PLEASE DEFER THIS BILL and find another way to support climate change initiatives.

SB-1396-HD-1

Submitted on: 3/17/2025 6:34:03 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Rowly Johnson	Individual	Oppose	Written Testimony Only

Comments:

Aloha- why more taxes at a time like this? Small businesses are buckeling with tourism down due to the geopolitica context. An undefined tax amount? How is that even legal? Please don't allow this to proceed. Mahalo

SB-1396-HD-1

Submitted on: 3/17/2025 7:15:43 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

This is a blank check bill that could potentially send the tax receipts to the general fund and not used for impacts of climate change or tourism marketing.

TO: Members of the Committees on Tourism
and Water and Land

FROM: Natalie Iwasa
808-395-3233

HEARING: 9 a.m. Thursday, March 2-, 2025

SUBJECT: SB1396, SD3, HD1 Economic Development - **OPPOSED**

Aloha Chairs Tam and Hashem and Committee Members,

Thank you for this opportunity to provide testimony on SB1396, SD3, HD1, 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 SB1396, SD3, HD1.

SB-1396-HD-1

Submitted on: 3/18/2025 6:39:43 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Andrew and Bryn Witherspoon	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and
Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature
House of Representatives
415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Andrew Witherspoon and I am a Hawaii resident, taxpayer, and homeowner and business owner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a local homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning a home in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

Respectfully,
Andrew Witherspoon
Hawaii Resident & Taxpayer

SB-1396-HD-1

Submitted on: 3/18/2025 7:40:08 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Aloha, I currently rent one room to supplement my Soc. Sec . and pension. I now pay about 18% of it to GET and TAT, and HCTAT. At a room rate of \$95. dollars that effectively does away with any profit after the high expenses of doing business here.

This is war on Hawaii small businesses, and now SB1396 will take even more. My Government seems determined to put me out of business, and force me out of my home.

Look at the rate of people leaving the islands, and ask yourself: What part you are playing in this debacle?

Paul Crawford

SB-1396-HD-1

Submitted on: 3/18/2025 8:15:48 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jill Paulin	Individual	Oppose	Written Testimony Only

Comments:

Aloha Senators,

I am a Hawaii resident and very concerned that we have hit the tipping point on tourists' appetite for taxes. We have already seen a big downturn over the last 6 months, with tourists favoring less expensive destinations such as Mexico and Asia. This is **NOT THE RIGHT TIME** to increase taxes. On Oahu 12% of the visitors are non-vacationers per the HTA Data Warehouse. Do we really want to charge our residents and essential workers a total of nearly 20% tax on their accommodation rentals? Why not focus on a better collection and audit process for the TA tax? The honor system leaves much on the table. I bet shoring this up could fund the Climate Change needs of our islands. Thank you for your consideration.

Jill Paulin, Haleiwa, HI

SB-1396-HD-1

Submitted on: 3/18/2025 8:29:08 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Caleb Medefind	Individual	Oppose	Written Testimony Only

Comments:

- A new tax will only weaken Hawaii's softening tourism.
- This new bill lacks transparency, fairness, and sustainability.
- The new tax burden will hurt local businesses and residents.
- The taxes on tourism and businesses are already too burdensome and are an unequal application of the law which will lead to legal challenges and costly litigation.

SB-1396-HD-1

Submitted on: 3/18/2025 8:30:06 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Please do not vote for this bill. Our visitors are showing that they have had enough of the taxes and extra fees. You will lose more than you will gain by allowing another tax on those that pay a majority of our bills anyway. Stop biting the hand that feeds our economy. They will go elsewhere.

SB-1396-HD-1

Submitted on: 3/18/2025 8:34:48 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Maurice Schreiber	Individual	Oppose	Written Testimony Only

Comments:

Aloha Aall,

Lacks Transparency – It does not specify a tax rate increase, meaning the final number could be set after public testimony closes and behind closed doors. Not acceptable

Relies on an Unstable Funding Source – Tying disaster preparedness and climate resiliency to tourism revenue is risky and shortsighted, given the industry's vulnerability to global crises. Espically today's enviroment.

Creates an Unfair Burden – Natural disasters impact all residents and businesses, yet this bill forces tourism to bear the financial responsibility alone. We are taxed way too much. Spend right.

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

SB-1396-HD-1

Submitted on: 3/18/2025 8:36:34 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
George Fulton	Individual	Oppose	Written Testimony Only

Comments:

I oppose. The amount of tax is not stated. This measure is premature.
thank you.

SB-1396-HD-1

Submitted on: 3/18/2025 8:38:03 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Meredith Johnson	Individual	Oppose	Written Testimony Only

Comments:

Oppose

SB-1396-HD-1

Submitted on: 3/18/2025 8:38:44 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
karin sagar	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill as it unduly burdens the tourism industry to continue to bear the financial burden due to natural disasters. The Hawaii economy is tied to the tourism industry, whether we like it or not, and we need to make sure we can sustain tourists to help our economy grow and thrive and help local residents have a viable economy and way of life.

SB-1396-HD-1

Submitted on: 3/18/2025 8:39:38 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and Honorable Mark J. Hashem
Committee on Water & Land

Hawaii State Legislature House of Representatives 415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is John Hanes, and I am a business owner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning a home in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.

- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 8:42:09 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sharon George	Individual	Oppose	Written Testimony Only

Comments:

Dear Chairs and Members,

My name is Sharon George, and I am a taxpayer, and homeowner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning a home in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

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- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

Sharon George

SAMPLE TESTIMONY

Honorable Adrian Tam, Chair Committee on Tourism, and
Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature
House of Representatives
415 S. Beretania Street, Rm. #423
March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Elizabeth Davis, and I am a homeowner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a [local?] homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of [owning a home /living] in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today’s world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

Elizabeth Davis
Hawaii Homeowner

SB-1396-HD-1

Submitted on: 3/18/2025 8:47:18 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Karen Amicone	Individual	Oppose	Written Testimony Only

Comments:

Dear Chairs and Members,

My name is Karen and I am a Hawaii resident and taxpayer who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a local resident trying to make ends meet. The income helps me cover my own housing costs and the rising cost of living in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, property tax and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today’s world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 8:48:46 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and
Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature
House of Representatives
415 S. Beretania Street, Rm. #423
March 18, 2025

Testimony in Opposition to SB1396 SD3 HD1

Dear Chairs and Members,

I am writing to express my strong opposition to SB1396 SD3 HD1.

I am deeply concerned about the bill's proposed tax increase and its potential impact on local families.

The lack of transparency in the bill is alarming. It does not specify the exact percentage increase in the Transient Accommodations Tax (TAT), leaving lawmakers to decide the amount after public testimony has closed. Taxpayers deserve to know exactly how much more they will be expected to pay.

Furthermore, this bill places a disproportionate financial burden on a single sector of our economy. Small local operators will be severely impacted, unlike large hotels that can absorb additional costs. The income from short-term rentals helps many owners with housing costs and living expenses, and an increase in TAT will directly affect the ability of many small businesses to earn a living.

I urge you to consider the following:

- **Natural Disaster Preparedness Should Be a Shared Responsibility:** Funding for disaster preparedness should be planned within the state budget, not tied to a volatile industry. It should be a shared responsibility across all residents and businesses.

- **Raising the TAT Again Will Make Hawaii Less Competitive:** Hawaii already has one of the highest lodging taxes in the nation. Increasing it will make Hawaii less attractive to travelers, ultimately affecting local businesses and workers who depend on the tourism economy.

For these reasons, I strongly urge this committee to reject SB1396 SD3 HD1. Please consider the real financial impact this bill will have on the everyday people of Hawaii.

Dawn Mason

SB-1396-HD-1

Submitted on: 3/18/2025 8:49:12 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Maria Bean	Individual	Oppose	Written Testimony Only

Comments:

I respectfully oppose this bill. It lacks transparency, it will hurt tourism, which so many residents of HI depend on for their livelihood. it will be an unfair burden on small businesses.

if you care about Hawaii's economy and their residents, please oppose this bill.

Thank you!

SB-1396-HD-1

Submitted on: 3/18/2025 8:51:02 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Dear Chairs and Members,

I am a Hawaii resident and taxpayer who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a local resident trying to make ends meet. The income helps me cover my own housing costs and the rising cost of living in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, property tax and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

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- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

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- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 8:52:20 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Dear Members,

I'm writing to oppose the latest SB 1396 under consideration by your committee. As a small business owner on Oahu I am already seeing the impacts of high fees, taxes and the burden on the tourism industry. I have seen less demand, less income and have had to release workers due to diminishing tourism on the island. One only needs to read the local industry news to see that the anti-tourist bent currently in place is having negative effects on businesses and families alike. This current proposal of 1396 places more burden and taxation on the industry already suffering a downward spiral due to new fees, taxes and an anti-tourism campaign from the administration. Please do the right thing and avoid more unnecessary taxes placed upon a minority of our business community, you are driving us out of business!! Please read the articles about less tourism and anti-tourist advertising, then read the comments.. You're killing us with fees and taxes!!

THanks,

John Mair

SB-1396-HD-1

Submitted on: 3/18/2025 8:54:31 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Laurie R	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair and Committee Members,

I am writing in very strong opposition to SB1396. While I am a very strong supporter of dealing with climate change and disaster mitigation issues ...

- 1)There is no transparency in this bill. There is no defined tax amount. That seems very deceptive to me. As a taxpayer, we deserve to know exactly how much we will be expected to pay.
- 2) It will be an enormous burden on small business owners. Once again, you ask a specific group of people to carry all of the burden. For something that each of us on island should share responsibility for – the environment.
- 3) It's hurts Hawaii's economy in general as it will now create the highest tax rate anywhere in the country and deter even more visitors from coming to our home.

You're simply taxing us to death, instead of looking for other options as to how we can address these very important issues.

Again, very strong opposition. I urge you to oppose this Bill.

Mahalo!

SB-1396-HD-1

Submitted on: 3/18/2025 8:57:16 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Mitch Maxwell	Individual	Oppose	Written Testimony Only

Comments:

This is another attempt to gouge tourists, and it will hurt tourism in the end. The fact that there's not a specific tax rate increase is frightening. Lastly, the idea that we should increase TAT at all is preposterous. We already have the highest TAT of any state in the country, and the government continues to keep going to the same well. It needs to stop!

SB-1396-HD-1

Submitted on: 3/18/2025 8:57:22 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

To: Committee on Tourism

Committee on Water & Land

Re: SP 1396 SD3, and HD1

Last campaign season, I spent days talking to small business owners on Maui: most of them told me the same thing: the downturn in tourism left them struggling to survive. Financially, some were in the red and had been for months. They eagerly embraced candidates who placed the Maui economy foremost.

This bill is so riddled with problems, it should embarrass its proponents. It attacks the main industry of Hawaii and therefore, hundreds of thousands of jobs, in its call for a TAT increase (unspecified). Hawaii already has the largest tourist tax in the nation; who in their right mind thinks that should go higher?

I am in the hospitality industry, and I've seen our tourism numbers fall since 2019. Many visitors are choosing to go elsewhere; this ill-advised bill will drop government revenue, not raise it.

Please oppose it out of hand.

SB-1396-HD-1

Submitted on: 3/18/2025 8:57:43 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Marie Preitauer, and I am a taxpayer and business owner who relies on income from the short-term rental industry to pay my bills. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed. Without that, this is the epitome of taxation without representation and goes against the very tenets of America.

- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a retired person trying to make ends meet. The income helps me cover my own housing costs and the rising cost of living.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration. Aloha!

SB-1396-HD-1

Submitted on: 3/18/2025 8:57:49 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Tim Duchene	Individual	Oppose	Written Testimony Only

Comments:

Dear Chairs and Members,

My name is Tim Duchene, and I am a taxpayer and homeowner/business owner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a [local?] homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of [owning a home /living] in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.

- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

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- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

Tim Duchene

10 Wailea Ekolu Place #607

Wailea, HI 96753

949-310-6543

Honorable Adrian Tam, Chair Committee on Tourism, and
Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature
House of Representatives
415 S. Beretania Street, Rm. #423
March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Kathleen Paganelli, and I am a taxpayer, and homeowner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

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Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world.

Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation. Hawaii seems to think tourists will still come regardless of how much they raise fees and taxes. We have had long time regular guests stop coming because they are tired of the constant rising costs and fees and the attitude "we can just charge them more" to cover any expense.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 9:03:08 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

I, Jeff Arboit, as a former full time resident of Maui and now part time resident/property owner that rents out my dwelling part time, I am against SB1396 SD3 HD1. This bill lacks transparency, places more blame/responsibility on the tourism industry and will eventually hurt people like myself and the other small business owners, that I use, to take care of my property when not on the island. I am not a large hotel nor a corporate vacation rental business. My vendors rely on me to help provide them with income. The planning commission and county board should have prepared better for a natural disaster and to put the onus on the tourism industry is wrong.

For these and other reasons, don't need this to be too long, I urge you, the committee, to not vote for this bill. If passed it will be detrimental to people like me that depend on some rental income to help me pay for my home while not on island.

Thank you in advance for your time!

SB-1396-HD-1

Submitted on: 3/18/2025 9:03:20 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Scott T SIMON	Individual	Oppose	Written Testimony Only

Comments:

I have owned a Condo in Wailea since January of 2018 at that time the Yearly Property Tax was roughly \$20,000 per year, fast forward to 2025 and the Property Tax is now \$65,000 per year which is an increase of 225%, and the maintenance fees were \$4,000/monthly and have increased to almost \$7,000/monthly due to increase in insurance we are being told (Ins Scam/Fraud) not only does this want me to take my investment somewhere else it has devastated economy. Tourism has decreased significantly during this time and let's just state the facts that Maui is highly dependent on tourism as a main stream of income all you need to do is remember the effects of Covid as a reference point. The general public is over it at this point and will continue to take their vacation money somewhere else and who can blame them, there are much better places that make more economic sense at this point, someone needs to put their business hat on and stop playing politics or it will be over for Maui economically.

SB-1396-HD-1

Submitted on: 3/18/2025 9:04:36 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Natalie Arbuckle	Individual	Oppose	Written Testimony Only

Comments:

Dear Chair Tam, Chair Hashem, and Members of the Committees,

I am writing to express my strong opposition to SB1396 SD3 HD1. This proposed legislation introduces an additional tax burden that will negatively impact Hawaii’s economy, particularly its already softening tourism industry.

The New Tax Will Further Weaken Hawaii’s Tourism Sector

Hawaii’s tourism industry is a critical pillar of the state’s economy, providing thousands of jobs and generating significant revenue. However, the industry is currently experiencing a decline due to external economic pressures, increasing costs, and changing travel patterns. Adding a new tax at this time will only deter visitors, making Hawaii a less attractive destination compared to other locations with more competitive pricing. Rather than supporting recovery, this measure threatens to accelerate the decline in visitor numbers.

Lack of Transparency, Fairness, and Sustainability

SB1396 SD3 HD1 lacks clear guidelines on how the generated tax revenue will be allocated and managed. Transparency in financial decisions is essential to maintain public trust and ensure that funds are used effectively for their intended purpose. Furthermore, this tax unfairly targets a specific industry without considering alternative revenue sources or a long-term sustainable plan to strengthen Hawaii’s economy. Tax policies should be developed with input from all stakeholders and should be based on fairness and economic feasibility.

Increased Tax Burden Hurts Local Businesses and Residents

Hawaii’s local businesses, particularly those in the tourism and hospitality sectors, are already struggling with rising operational costs, supply chain disruptions, and workforce shortages. Implementing a new tax will only add to their financial strain, forcing some to cut jobs or close altogether. Additionally, this measure could lead to increased prices for residents, who already face one of the highest costs of living in the nation. Rather than fostering economic resilience, this legislation threatens the stability of both businesses and communities.

Conclusion

For the reasons outlined above, I strongly urge you to oppose SB1396 SD3 HD1. Instead of imposing additional financial burdens, the Legislature should focus on policies that support economic growth, protect local businesses, and enhance Hawaii's competitiveness in the global tourism market.

Thank you for your time and consideration. I appreciate your commitment to making informed decisions that serve the best interests of Hawaii's residents and economy.

Sincerely,
Natalie Arbuckle

SB-1396-HD-1

Submitted on: 3/18/2025 9:08:51 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Nancy Bourassa	Individual	Oppose	Written Testimony Only

Comments:

Against about all that !!!! They need to do some publicity to attract tourism. Shops and restaurants are closing

- A new tax will only weaken Hawaii's softening tourism.
- This new bill lacks transparency, fairness, and sustainability.
- The new tax burden will hurt local businesses and residents.

SB-1396-HD-1

Submitted on: 3/18/2025 9:10:27 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lawrence Mason Shih	Individual	Oppose	Written Testimony Only

Comments:

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Lawrence M Shih, and I am a Hawaii taxpayer, and homeowner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning a home in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels may be able to absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today’s world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 9:11:35 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Linda Manry	Individual	Oppose	Written Testimony Only

Comments:

Please vote against this. It sets up one more barrier to tourism and will be negatively viewed by future travellers.

Understanding you want to do the best for locals, I believe you need to do the best for everyone on Hawaii soil, which includes off island visitors, property owners and businesses. Every time you say "local residents", the rest of us hear "people who can vote to keep me in office". If you really care about Hawaii's wellbeing you would think broader.

Respectfully submitted,

Linda Manry

SB-1396-HD-1

Submitted on: 3/18/2025 9:18:33 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Burgess Harrison	Individual	Oppose	Written Testimony Only

Comments:

Dear Chairs and Members,

My name is Burgess Harrison, and I am a Hawaii property owner, taxpayer] who depends on income from short-term rentals to help cover the ever-rising costs . I am writing today in strong opposition to SB1396 SD3 HD1, a bill that unfairly targets people like me—local residents who are simply trying to make ends meet.

This bill proposes an undefined increase in the Transient Accommodations Tax (TAT), meaning lawmakers would determine the final tax hike *after* public testimony has closed. That’s not just unfair and does not make sense—it’s a violation of trust. How can we be expected to weigh in on a bill when we don’t even know what the final cost will be? That's like giving someone a blank check. I doubt you would do that at home. Its like buying a concert ticket and then they add all those fees at the end. As a taxpayer and small business operator, I deserve transparency before decisions are made that directly affect my financial stability.

I am not a hotel chain. I am not a corporate investor. I am a homeowner who, like many others, rents out space to visitors to afford my mortgage, utilities, and daily expenses. The cost of Hawaii is among the highest in the country, and this extra income is not a luxury—it’s a necessity. If the TAT increases again, visitor demand will continue to drop, and that loss of income could force me, and many others, into financial hardship. Unlike major hotels, we cannot simply absorb these additional costs.

Beyond the personal impact, this bill also fails to address a larger issue: disaster preparedness is a *shared* responsibility. Natural disasters are a fact of life in Hawaii, and funding for recovery efforts should come from stable, long-term revenue sources—not a single, volatile industry. It is neither sustainable nor fair to disproportionately place this burden on short-term rental operators while other businesses and industries are left untouched.

Hawaii already has one of the highest lodging taxes in the nation. Raising it further will only make our islands less competitive, driving visitors elsewhere and hurting the countless local businesses that depend on tourism—restaurants, shops, activity providers, and service workers will all feel the ripple effect. We cannot afford to push away the very industry that keeps our economy alive.

I urge you to reconsider the real impact this bill will have—not just on numbers in a budget, but on real people, real families, and the future of our communities. Please reject SB1396 SD3 HD1 and work toward solutions that are fair, transparent, and economically responsible.

Mahalo for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 9:19:12 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
BONNIE GEERS	Individual	Oppose	Written Testimony Only

Comments:

Dear Chairs Tam and Hashem and Committee Members,

My name is Bonnie Geers and I am a Hawaii homeowner and taxpayer. I strongly oppose SB 1396 SD3 HD1. While climate change resiliency and natural disaster mitigation is important this bill threatens Hawaii's tourism industry and small businesses by proposing an undefined increase to the TAT. Proposing to fund such important priorities to an undefined increase in the TAT is the proverbial "building the house on sand" given the TAT's vulnerability to economic and tourism downturns. An increase in TAT will make Hawaii tourism less competitive which, in turn, will inflict harm on local small businesses and families that rely on a sustainable and thriving tourism industry.

Mahalo for your consideration,

Bonnie Geers

SB-1396-HD-1

Submitted on: 3/18/2025 9:21:28 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Allison Pass	Individual	Oppose	Written Testimony Only

Comments:

Dear Chairs and Members,

My name is Allison Pass, and I am a homeowner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning a home in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 9:23:37 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
David Eckert	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is David Eckert, and I am a taxpayer, and homeowner/business owner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a local homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning a home and living in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

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- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 9:23:52 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jeffrey Likes	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Jeffrey Likes and I am a taxpayer, and business owner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning a home in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

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- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 9:27:18 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Rey and Carla Munoz	Individual	Oppose	Written Testimony Only

Comments:

We are not a large hotel or a corporate vacation rental business—We are condo owners trying to make ends meet and return some profit on our units. With the temporary decrease in tourism to Maui and the rising costs of property taxes and insurance, we are currently losing money on our units. An extra \$20 per night per unit could and likely would decrease guests for our units. We are senior citizens.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in the state.
- This bill does not consider how small local operators like us will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today’s world. Funding for disaster preparedness should be:

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- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

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- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.

- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, we strongly urge this committee to reject SB1396 SD3 HD1.

As folks who rely on this income, please consider the real financial impact this bill will have on everyday people like us.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 9:34:07 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Scott Breunig	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam

Honorable Mark J. Hashem

Hawai'i State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Chairs and Members,

My name is Scott Breunig], and I am a short-term rental owner, who relies on income from the short-term rental industry to supplement my living expenses. I am submitting testimony in opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and unpredictable sector of our economy rather than across the entire state.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, that angers me. I deserve to know exactly how much more I will be expected to pay before this bill is passed. How can I manage my living expenses.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a owner that homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning a home in Hawai‘i.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawai‘i residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today’s world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawai‘i Less Competitive

Hawai‘i already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawai‘i less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.

- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 9:34:08 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Liz Lees	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill. Hawaii's residents are already hurting from the downturn in tourism and the reduction in monies spent with local businesses. Adding more tax will only further suppress visitors and the associated revenue. The \$20 per night loyalty tax will be a logistics nightmare and cost more to collect than the revenue received.

SB-1396-HD-1

Submitted on: 3/18/2025 9:34:51 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

I, Kim Marie Lopez, resident for over 30 years on Maui oppose bill SB1396 to raise taxes. The impact the current taxes negatively affect tourism which is almost the only source of income to Maui residents, businesses and a raise would be even more devastating. Many of us have already lost faith and no longer trust our government. We pray that someone will intervene and truly consider our best interest.

- A new tax will only weaken Hawaii's softening tourism.
- This new bill lacks transparency, fairness, and sustainability.
- The new tax burden will hurt local businesses and residents.
- More residents will move off island
- Businesses will shut down

We ask for the help of our legislators to prevent this bill from passing.

Aloha,

Kim Marie Lopez

SB-1396-HD-1

Submitted on: 3/18/2025 9:37:21 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

I strongly oppose SB1396 for the following reasons:

Lacks Transparency – The bill does not clearly define a tax rate increase, leaving the final amount to be determined after public testimony has closed, potentially behind closed doors.

Relies on an Unstable Funding Source – Linking disaster preparedness and climate resilience to tourism revenue is a risky approach, as the industry is highly susceptible to global disruptions.

Creates an Unfair Burden – While natural disasters affect all residents and businesses, this legislation places the entire financial burden solely on the tourism sector.

Harms Small Businesses & Hawaii’s Economy – Hawaii already has the highest transient accommodations tax (TAT) in the nation. Further increases could reduce the state’s competitiveness, negatively impacting local businesses and ultimately affecting all residents.

The above would harm tourism, owners and guests alike.

Mahalo

SB-1396-HD-1

Submitted on: 3/18/2025 9:39:22 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
jeff geers	Individual	Oppose	Written Testimony Only

Comments:

Dear Chairs Tam and Hashem and Committee Members,

I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposs an undefined tax increase, lacks fiscal transparency, and relies solely on Hawaii's tourist lodging industry which has proven to be an uncertain funding source, to fund what is a critical issue - climate reiliency and disaster mitigation. As a Hawaii taxpayer and homeowner that relies on the tourism industry, I would urge the Committee to refuse to advance a tax increase bill that doesn't provide upfront how much a tax (in this case the TAT) will increase. Increasing tourism taxes and fees will mean fewer visitors making it harder for local businesses and families that rely on the tourism industry to survive and thrive.

Mahalo, Jeff Geers

SB-1396-HD-1

Submitted on: 3/18/2025 9:43:30 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Larry Levine, and I am an owner at The Whaler for over 40 years who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB 1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.

- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning property in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 9:45:22 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

NO on further increases to visitor taxes! We are already one of the most unwelcoming destinations with our layers of taxes upon taxes. Travelers have a wide choice of destinations and treating them as chickens to be plucked is finally reaching a wall of unacceptability. Worthy causes should be funded by regular appropriations, not special assessments that will wind up actually hurting revenues coming in from already high TATs. Thank you.

SB-1396-HD-1

Submitted on: 3/18/2025 9:50:34 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Stephen Taylor	Individual	Oppose	Written Testimony Only

Comments:

Dear Sirs,

As a long time owner of two legally zoned short term rental properties in have concerns in regards to this proposed bill.

1. Lacks Transparency – It does not specify a tax rate increase, meaning the final number could be set after public testimony closes.
2. Relies on an Unstable Funding Source – Tying disaster preparedness to tourism revenue is risky and shortsighted, given the industry's vulnerability to global crises.
3. Creates an Unfair Burden – Natural disasters impact all residents and businesses, yet this bill forces tourism to bear the financial responsibility alone.
4. Hurts Small Businesses & Hawaii’s Economy – Hawaii already has one of the country's highest transient accommodations taxes (TAT). Raising it further will make our state less competitive, impacting local operators and businesses.

Thank you for your consideration and time.

Stephen Taylor

SB-1396-HD-1

Submitted on: 3/18/2025 9:53:09 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael T. Shaffer	Individual	Oppose	Written Testimony Only

Comments:

**Honorable Adrian Tam, Chair Committee on Tourism, and
Honorable Mark J. Hashem Committee on Water & Land**

Hawai'i State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Michael T Shaffer, and I am a Hawai'i taxpayer and homeowner/business owner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a [local?] homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of [owning a home /living] in Hawai‘i.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawai‘i residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today’s world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawai'i Less Competitive

Hawai'i already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawai'i less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 9:53:28 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

This bill threatens Hawaii’s tourism industry and small businesses by proposing an unspecified tax increase and tying disaster preparedness funding to unpredictable tourism revenue.

Concerns:

- **Lack of Transparency** – The tax rate increase is not defined and could be set after public input ends.
- **Unstable Funding** – Relying on tourism revenue for disaster preparedness is risky.
- **Unfair Burden** – It places the financial responsibility solely on tourism, even though disasters affect all residents.
- **Economic Impact** – Hawaii already has high tourism taxes, and further increases could hurt local businesses and make the state less competitive.

SB-1396-HD-1

Submitted on: 3/18/2025 10:01:53 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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 SB1396 SD3 HD1. Hawaii currently has one of the highest tourist taxes in the US, diverting visitors to other, more affordable destinations. Even those who can afford the higher costs are feeling like they are "being nickle and dimed", as one recent visitor put it, and are spending their tourist dollars 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 higer costs, they will spend less, negatively affecting offshoot businesses that rely on robust tourist spending. This additional surcharge will also make Staycations, family visits and medical travel unaffordable for local residents.

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.

The lack of transparency of this bill creates an atmosphere of mistrust and makes it difficult for tourism based businesses to prepare for yet another blow. The fact that these businesses have to bear the brunt of the cost for environmental stewardship is unfair; it is a cost that should be more evenly distributed. And basing stewardship funding on tourism while simultaneously sabotaging the tourism industry means that this source of funding is unsustainable.

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, find more

effective ways to use it, and to find more equitable, sustainable means of raising funds to manage sustainability.

Respectfully Yours,

Tracey Stefanyk

SB-1396-HD-1

Submitted on: 3/18/2025 10:01:59 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sabine Hadulco	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill based on two main points:

1. The proposed tax rate increase is not spelled out. How can you vote on something where you do not know what you are voting on? We need more, not less, transparency.
2. Tourism is Hawaii's main economic driver. The numbers show that less visitors are coming to Hawaii. Cost is becoming prohibitive as our taxation has increased over the past years. There are many other places in this world that are beautiful AND less expensive. We have friends that just last month chose to vacation in Mexico instead of Hawaii due to Hawaii's high cost. Why would you continue to bite the hand that feeds you? Think about it!
3. While I support disaster preparedness, funding should come from a stable source, and not from a source that is already in decline. That is not sustainable.

SB-1396-HD-1

Submitted on: 3/18/2025 10:03:06 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Chris Brashear	Individual	Oppose	Written Testimony Only

Comments:

I oppose SB1396 as a resident of the Big Island who serves tourists through short term accommodation. Tourism is a key driver of the Hawaiian economy and a tax like this hurts small businesses like me while the all industries benefits from the climate resilience.

This bill is also unclear about the amount of the tax so it could end up being decided behind closes doors and be much larger than anyone anticipated.

SB-1396-HD-1

Submitted on: 3/18/2025 10:03:42 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
JOSHUA GRAVIN	Individual	Oppose	Written Testimony Only

Comments:

It's unfathomable to even be considering yet another unfair tax increase with everything going on recently around housing, fires, and the tourism slowdown. The slowdown is because people aren't booking STVR's because they are afraid they are going to be illegal after June and because the combined 17.75% high tax rate already exists! Stop with the taxes already, start building housing, and ANNOUNCE in the media that STVR's won't be banned!

SB-1396-HD-1

Submitted on: 3/18/2025 10:10:44 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jenn Alberts	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Jenn Alberts and I am a Hawaii taxpayer and homeowner/business owner who relies on income from the short-term rental industry. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am an individual homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of ownership in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, I cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

Jenn Alberts

SB-1396-HD-1

Submitted on: 3/18/2025 10:19:35 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sandra Raad	Individual	Oppose	Written Testimony Only

Comments:

Dear Chairs and Members,

i am a Hawaii tax payer and home owner. I am against SB1396, as it would discourage people from coming to Hawaii. The TAT rate is already one of the highest in the country. Not only would small businesses suffer from the lack of visitors, but individuals who work for them would have to leave the islands because of lack of work.

Raising the tax would only mean fewer people paying in, so you could be at the same level of income in the state as now.

Mahalo,

Sandra Raad

SB-1396-HD-1

Submitted on: 3/18/2025 10:37:01 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Minesh Parikh	Individual	Oppose	Written Testimony Only

Comments:

Respectful members of the committee

I am quite disappointed after thoroughly reading this bill and the proposed hike in the additional undefined amount of taxes in this bill. I and all the co do ownwrs like me personally feel the short term rental businesses pay the highest taxes in Hawaii and combined with high property taxes which amount to nearly 30%-35% taxes besides the operating expenses knckuding high insurance premiums and maintenance costs.

We must thrive to be more capitalistic and identify alternative revenue sources rather than penalize and suffocate tourism industry. We as a state, have finally come close to pre covid tourism volumes and we must do what we can to facilitate tourism more by lessening the tax burden on ghe entire eco system.

Lets support tourism industry and the eco system around it to gain even more tourists than pre covid era.

I am sure small business owners depending on tourism industry would be happy and support the people they elect with bills that are well thought through and oriented towards capitalistic points of views.

Thank you

Minesh.

SB-1396-HD-1

Submitted on: 3/18/2025 10:37:19 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Patty Cassidy	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Patty Cassidy, and I am a Hawaii taxpayer and homeowner. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, we deserve to know exactly how much more we will be expected to pay before this bill is passed.

- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning a home in Hawaii.

- If the TAT increases again, visitor demand already soft will decrease. Maui needs the income generated by our visitors. This bill will further make Maui a less desirable vacation destination.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, property taxes, groceries, and medical care in our state.
- This bill does not consider how small local operators will be impacted. Maui's economy will be further negatively impacted.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

Please consider the real financial impact this bill will have on your constituents who rely on a steady job income, the decrease received in GET/TAT/MCTAT funds and the ranking decline of Maui as a place to celebrate and visit.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 10:40:01 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Shannon Bell-Peterson	Individual	Oppose	Written Testimony Only

Comments:

The bill lacks transparency – It does not specify a tax rate increase, meaning the final number could be set after public testimony closes.

Relies on an Unstable Funding Source – Tying disaster preparedness to tourism revenue is risky and shortsighted, given the industry's vulnerability to global crises.

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

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

SB-1396-HD-1

Submitted on: 3/18/2025 10:42:24 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Levi Brooker	Individual	Oppose	Written Testimony Only

Comments:

The hotel industry won't stop pushing the Hawaiian gov't till they eventually wipe out all vacation rentals completely, so while you tell voters bills like this will generate money that will help them, the reality is the state is eventually going to lose all the TAT (and GET) revenue associated with short term rentals, in addition to killing tourism thanks to bad press.

SB-1396-HD-1

Submitted on: 3/18/2025 10:43:30 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Michelle McGarry	Individual	Oppose	Written Testimony Only

Comments:

Dear Chairs and Members,

My name is Michelle McGarry and I am a [Hawaii taxpayer, and homeowner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning a home in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.

- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
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- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 10:44:57 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Timothy Sullivan	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 18, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Timothy Sullivan, and I am a Hawaii taxpayer and business owner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I, along with a number of family members, enjoy several weeks a year in Hawaii. The income from my rentals helps me cover my own costs and the rising cost of owning property in Hawaii, while also contributing to the state and local economy by providing high-quality accommodations for visitors.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

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- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead. This is particularly the case in today's uncertain economy, and is compounded by the impact of a trade war and unfavorable exchange rates have already had on visitors from Canada.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

Please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 10:46:31 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
ALEXANDER KAMINER	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Alexander Kaminer, and I am a Hawaii resident who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

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- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a [local?] homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of [owning a home /living] in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

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- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

Honorable Adrian Tam, Chair Committee on Tourism, and
Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature
House of Representatives
415 S. Beretania Street, Rm. #423
March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Patricia Davidson, and I am a homeowner/business owner] who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning a home in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.

- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

Yours sincerely,

Patricia Davidson

SUBMIT TESTIMONY

Thank you f

SB-1396-HD-1

Submitted on: 3/18/2025 10:48:00 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Miles Barber	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Miles Barber and I am 85 years of age and have been a Hawaiian taxpayer, and homeowner since 1987. My wife and I rely on income from the short-term rental industry to supplement our housing costs and living expenses.

I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide

the amount after public testimony has closed. This is a blank check to be written by homeowners, STVR's, hotels and motels.

The current TOT tax and bad publicity has already reduced Hawaii visitation by 60 percent. The lack of visitors is damaging all of Hawaii. It appears that finding fault with STVR's and making them scapegoats has not worked.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a homeowner trying to make ends meet. Our income following the Maui fires has dropped by 80 percent. Our STVR income was helping to cover our own housing costs and the rising cost of owning a home in Hawaii.

- If the TAT increases again, visitor demand will continue to decrease, directly affecting our ability to earn the supplemental income that keeps us afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Even Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations. Unfortunately, this has already become a reality.
- Fewer visitors mean less income for local businesses, restaurants, and service workers and, state revenue that depends on the tourism economy.
- The state cannot afford to drive away more visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

- We have already experienced a major calamity due to the Lahaina fires. Adding tax burdens upon facilities helping tourism is not a solution. It will be the albatross that finishes Hawaii tourism I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on thousands of everyday people like my wife and I..

Thank you for your time and consideration.

Miles and Linda Barber

Napili, Maui

Marlene & Richard Rainen

50 Puu Anoano St., # 4206

Lahaina, HI 96761

Marlene.rainen@gmail.com

Honorable Adrian Tam, Chair Committee on Tourism, and
Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature
House of Representatives
415 S Beretania Street, Rm. #423

March 18, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Marlene Rainen, and I am a Hawaii resident, taxpayer, and homeowner who relies on income from my short-term rental to supplement my housing costs and living expenses.

I am submitting testimony in **STRONG OPPOSITION** to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair!. This Bill risks the sustainability of continuing efforts to address this critical issue.

This Bill does not define an exact percentage increase to the Transient Accommodations Tax (TAT), It allows the lawmakers to decide the amount after public testimony is closed.

I deserve to know exactly how much more I will be expected to pay before the bill is passed. The Legislature should not approve a bill without clearly defined percentage amounts. This lack of transparency creates further distrust to those affected and makes it impossible to plan or budget.

I am a single retired individual, not a large hotel or corporate vacation business and this will cause me irreparable harm. The income helps me cover my OWN housing costs that continually rise every year in Hawaii.

TAT increases always affect visitor attendance to Maui and we are already suffering greatly since the Lahaina fire. Visitor demand has already decreased dramatically affecting every aspect of our economy.

Natural Disaster Preparedness should be a shared RESPONSIBILITY!

Raising the TAT again will make Hawaii less desirable and less competitive!

For all of these reasons, I strongly urge this committee to REJECT SB1396 SD3 HD1.

Mahalo Nui Loa,
Marlene & Richard Rainen, Lahaina

SB-1396-HD-1

Submitted on: 3/18/2025 11:08:37 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Dennis Stewart	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Dennis Stewart, and I am a taxpayer, and homeowner/business owner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a [local?] homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of [owning a home /living] in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 11:11:04 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Dan Carpenter	Individual	Oppose	Written Testimony Only

Comments:

This bill does not serve Hawaii well. Tourism taxes are already high and it does not specify what the proposed tax amount would be.

SB-1396-HD-1

Submitted on: 3/18/2025 11:15:44 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Andrea L Ashbacher	Individual	Oppose	Written Testimony Only

Comments:

Tourism is down. Tourists are taxed to death, not welcomed with open arms. They are the life blood of Maui economy and needed to be treated as such. It is disbusting that every time I read news, it is how to tax a visitor. Quite frankly, I hope your over taxation leads to fewer tourists and the island suffers so that you wake up.Quit biting the hand that feeds you.

SB-1396-HD-1

Submitted on: 3/18/2025 11:27:02 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Gary K Brants	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and
Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature
House of Representatives
415 S. Beretania Street, Rm. #423
March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Gary Brants and I am a Hawaii resident, taxpayer, and homeowner/business owner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a local homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of [owning a home /living] in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large

hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

Kind Regards,
Gary Brants

SB-1396-HD-1

Submitted on: 3/18/2025 11:32:03 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Brent Retzlaff	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I oppose this bill as it lacks transparency as lawmakers can simply put whatever % increase they want AFTER public testimony(?!?!)

Home owners have been through too much within the last 5 and a half years already and we should be welcoming tourists with open arms and make their stays enjoyable at a fair price, not punishing them when they want to help out all here in Hawaii struggling - especially when home owners, property management companies and their employees have been financially hit hard from Covid, Lahaina fires, etc. forcing many to leave the islands.

Mahalo for your consideration and understanding.

SB-1396-HD-1

Submitted on: 3/18/2025 11:33:16 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Karl Mutch	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and Honorable Mark J. Hashem
Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Aloha Chairs and Members,

I am a Hawaii homeowner who relies on income from the short-term rental industry to support my mortgage and HOA fees. I am offering this testimony in strong opposition to SB1396 SD3 HD1. This bill contains a completely open and potentially unlimited tax increase, and fails to hold the spending of the raised revenue in a transparent way. We have had previous taxes levied to help without affordable housing where the monies failed to go to those that needed help, and was against the original intent of the original revenue raising with no accountability. This tax appears to be an attempt to implement unrelated housing policies that are as we speak are in the process of failing and are unrelated to combating climate change. I say this because there is no plan on how much is going to be spent on combating climate change or even the amounts that will be raised.

Allowing lawmakers to decide the amount after public testimony has closed is opening the door for more open-ended taxes without limit or accountability.

Given the amount of distrust already prevasive within the electorate it seems like this will only further encourage the view that what is being enacted lacks any usefulness, or accountability to the community.

Climate change is absolutely a real problem, but I oppose this bill because it contains no concrete actions or measurable objectives to address climate change and is just a blind promise of doing

something/anything and that seems to indicate that taxes would be raised in a vacuum without concrete goals and objectives.

Thank you for your time and consideration,

Karl Mutch

SB-1396-HD-1

Submitted on: 3/18/2025 11:41:09 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Karen Luke	Individual	Oppose	Written Testimony Only

Comments:

The language in this bill doesn't specify the tax increase and affects only one industry. This bill just needs to be rewritten.

SB-1396-HD-1

Submitted on: 3/18/2025 11:47:43 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Blain A Barton	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Blain Barton, and I am a Hawaii resident, taxpayer, and homeowner/business owner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a [local?] homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of [owning a home /living] in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

Honorable Adrian Tam, Chair Committee on Tourism, and
Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature
House of Representatives
415 S. Beretania Street, Rm. #423
March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Howard Lichtman, and I am a [Hawaii homeowner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a [local?] homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of [owning a home /living] in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.

- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world.

Funding for disaster preparedness should be:

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- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
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Hawaii already has one of the highest lodging taxes in the nation.

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- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

Mahalo!

Howard Lichtman
Grand Champions #159
Wailea, HI

SB-1396-HD-1

Submitted on: 3/18/2025 11:53:43 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
andrew huey	Individual	Oppose	Written Testimony Only

Comments:

Absolutely oppose. You should be looking at LOWERING the TAT tax, not raising it! Very bad option in uncertain economic times. And especially for us on Maui, Tourism has not recovered. This will further hurt recovery and give people a reason to go to Mexico or other destinations instead of Hawaii. 17.96% tax is already TOO HIGH. Lower the tax, not raise it!!

SB-1396-HD-1

Submitted on: 3/18/2025 12:04:51 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jill M Clark	Individual	Oppose	Written Testimony Only

Comments:

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Jill Clark, and I am a Hawaii resident, taxpayer, and homeowner&owne of a small business. I am also one of the few who have lived in Maui for 34 years and have my own short term rental in West Maui. My family relies on income from the short-term rental industry to suport myself and family. This is my business that I value and work so hard to keep alive. The housing costs and living expenses are killing us already. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, and places a disproportionate financial burden on my industry rather than across the entire state,whit is totally unfair! It will also hurt our economy even more and drive more and more people away from tourism here.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed. I get questions from so many travelers asking about this tax, do we want no tourism in Hawaii, it feels that way.

As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed. I may have to move and sell my house which I have worked so hard to attain.

- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am a short term vacation rental business owner as well—I am a local and my way of supporting my childern and family is with my business. If this bill passes more and more struggle will be put on our small family, tourism is already so low and rates are continuing to plumet with so many more open nights. I am also a homeowner trying to make ends meet.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today’s world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 12:06:46 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Christine Deák	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and Honorable Mark J. Hashem
Committee on Water & Land

Hawaii State Legislature

House of Representatives

[415 S. Beretania Street, Rm. #423](#)

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Christine Deák and I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase. One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed. Tourism in the State is already suffering due to excessive taxation. It seems deceptive to pass a law regarding a potential tax increase without disclosing the exact amount of the increase to the general population until after public testimony has closed. For this reason, I believe this bill to be ill advised and wrong.

SB-1396-HD-1

Submitted on: 3/18/2025 12:07:35 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Elizabeth (Liz) McArdle Solomon	Individual	Oppose	Written Testimony Only

Comments:

This bill threatens Hawaii's tourism industry and small businesses by proposing an undefined tax increase and tying vital disaster preparedness funding to an unstable revenue source. This bill:

- lacks transparency,
- Relies on unstable funding source
- creates an unfair burden on tourism
- hurts small businesses and Hawaii's economy by making our state less competitive

SB-1396-HD-1

Submitted on: 3/18/2025 12:10:10 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 18, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Barbara Matias and I am a taxpayer and homeowner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning a home in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

Honorable Adrian Tam, Chair Committee on Tourism, and
Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature
House of Representatives
415 S. Beretania Street, Rm. #423
March 18, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Wayne Page, and my family and I own a short term rental in Kihei, County of Maui. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase. Short term rentals are already burdened with a much larger property tax rate, and to have a legislative bill such as this one which is not a defined increase, but rather has an open ended TAT tax rate increase places an even greater burden on us.

My parents lived in Kihei for 35 years, and upon their passing, we sold their home but wished to keep a presence in Maui. A short term rental condominium seemed the perfect solution. Even though we knew our property tax rate would be higher than what our parents paid for a comparable market value home, we have been hit with ever increasing taxes each year. This current year has us paying over \$20,000 to County of Maui in property taxes alone. Continued tax increases will force us to consider taking our unit out of the short term rental market. And that would mean the County of Maui would receive significantly less tax revenue from us, in both property tax and the TAT tax.

I have heard the many other arguments against this bill, and I agree with them that hurting the lodging industry hurts the tourist industry, and hurting the tourist industry eventually trickles down to hurt a large majority of Hawaiian residents.

Please consider the financial impact of undermining tourism in Hawaii and do not pass SB1396 SD3 HD1.

Thank you,

Wayne Page
Montana resident, Kihei condo owner

SB-1396-HD-1

Submitted on: 3/18/2025 12:39:55 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Elaine Hornell	Individual	Oppose	Written Testimony Only

Comments:

I am oppsed to this bill

SB-1396-HD-1

Submitted on: 3/18/2025 12:43:33 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sylvia Dahlby	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and
Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature
House of Representatives
415 S. Beretania Street, Rm. #423

March 18, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Sylvia Dahlby, and I am a resident of Hilo, Hawaii, retiree, and former AirBnB host who has relied on income from the short-term rental industry to supplement my housing costs and living expenses.

Even though I have converted my STVR to a long-term rental last year, I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- Taxpayers deserve to know exactly how much more we will be expected to pay before a bill like this is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a local homeowner trying to make ends meet. The long-term rental income helps me cover my own housing costs and the rising cost of owning a home and living in Hawaii.

- Many Hawaii residents use mid- and short-term as well as long-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators will be impacted. Small businesses are once again being unfairly burdened with tax increases.

3. Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today’s world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

I strongly urge this committee to reject SB1396 SD3 HD1.

Thank you for your time and consideration.

Respectfully,
Sylvia Dahlby
Hawaii Resident & Taxpayer

SB-1396-HD-1

Submitted on: 3/18/2025 12:44:16 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Carol Carolan	Individual	Oppose	Written Testimony Only

Comments:

Dear Chairs and Members,

My name is Carol Carolan and I am a Hawaii taxpayer and homeowner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I strongly oppose SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state. This is categorically unfair.

The bill does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed. As a taxpayer, I should know exactly how much more I'll be expected to pay before this bill passes. This lack of transparency further creates distrust and makes it impossible to budget or to even testify about specific harm.

If the TAT increases again, visitor demand will certainly decrease, directly affecting my ability to earn the supplemental income that keeps me afloat. Many Hawaii residents use mid and short term rentals to avoid financial ruin. This bill does not consider how small local operators will be impacted. Large hotels can absorb additional costs, we cannot.

Funding for disaster preparedness should be planned responsibly within the state budget rather than tied to a volatile industry. It should be a shared responsibility across all residents and businesses, rather than unfairly burdening one sector. And it should be funded through stable revenue sources; not a tax that fluctuates with tourism.

Higher TAT's will make Hawaii even less competitive and travelers will choose more affordable destinations. Of course, fewer visitors means less income for our local businesses, restaurants, and supportive service workers who all depend on the tourism industry. The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

Thank you for your time and consideration. For all of the stated reasons, I strongly urge this committee to reject S1396 SD3 HD1.

Sincerely,

Carol Carolan

COMMITTEE ON TOURISM

Rep. Adrian K. Tam, Chair

Rep. Shirley Ann Templo, Vice Chair

COMMITTEE ON WATER & LAND

Rep. Mark J. Hashem, Chair

Rep. Rachele F. Lamosao, Vice Chair

March 18, 2025

Testimony in **Strong Opposition** to SB1396 SD3 HD1

Aloha Chairs Tam-Hashem, Vice Chairs Templo, Lamosao and committee members,

My name is Jonnie Torres and I wish to express my **strong opposition** to SB1396 SD3 HD1, which proposes an increase in the Transient Accommodations Tax (TAT). While I fully recognize the urgent need to address climate change and invest in disaster preparedness, 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.

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 I wholeheartedly support efforts to address climate change and enhance economic resilience, I 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.

I appreciate your consideration of our concerns and respectfully request that SB1396 SD3 HD1 be revisited with an eye toward balancing necessary environmental efforts with the realities facing our local economy.

Mahalo,

Jonnie Torres

Director of Sales & Marketing

Sheraton Maui Resort

SB-1396-HD-1

Submitted on: 3/18/2025 1:21:45 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lisa Sedlic	Individual	Oppose	Written Testimony Only

Comments:

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

The bill also lacks transparency with no specific number being mentioned.

SB-1396-HD-1

Submitted on: 3/18/2025 1:31:36 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Patricia Boettcher	Individual	Oppose	Written Testimony Only

Comments:

Dear Honorable Adrian Tam and Honorable Mark J. Hashem,

My name is Patricia Boettcher, and I am a Hawaii taxpayer and home owner, who relies on income from the short-term rental industry to supplement my housing costs. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase. lacks fiscal transparency, and places a disproportionate financial burden on a single unpredictable sector of our economy.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the TAT. Instead, it allows lawmakers to decide the amount after public testimony has closed. The Legislature should not approved a bill without providing clear, upfront numbers. This lack of transparency makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business. I am a homeowner trying to make ends meet and the rental income helps me cover the rising cost of owning a home in Hawaii. This bill does not consider how small operators like myself will be impacted. While large hotels can absorb additional costs, we can not.

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism - they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be planned responsibly across all residents and businesses, rather than unfairly burdening one sector. And, this type of funding should ideally be through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT again will make Hawaii less competitive in the tourist industry. Hawaii already has the highest lodging taxes in the nation. Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy. The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all of these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

Thank-you for considering my views.

Sincerely,
a Boettcher

Patrici

SB-1396-HD-1

Submitted on: 3/18/2025 1:39:37 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Debbie Wyand	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose SB1396. As a long time resident and business owner , this will harm all residents of Hawaii

- A new tax will only weaken Hawaii's softening tourism.
- This new bill lacks transparency, fairness, and sustainability.
- The new tax burden will hurt local businesses and residen

Vote NO

Debbie Wyand

SB-1396-HD-1

Submitted on: 3/18/2025 1:40:13 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is James Sanford, and I am a Hawaii taxpayer and homeowner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.

- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning a home in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.



SB-1396-HD-1

Submitted on: 3/18/2025 1:42:03 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Catherine Tieva	Individual	Comments	Written Testimony Only

Comments:

Tourism, and Honorable Mark J. Hashem Committee on Water & Land

March 18, 2025

SB1396 SD3 HD1

I am a full time resident of Maui County. I do not own a STR and do not rely on tourism for my financial needs. I am in fact retired and live on a fixed income.

Residents must live with the consequences of over tourism on a daily basis, 365 days a year. We are carrying the burden of the increasing costs of infrastructure to accommodate the daily barrage of visitors. The wear and tear on our roads. Management of excessive waste generated as a result of the high volume of tourists. We struggle with allocation of our precious water resources between supporting tourists vs market rate housing projects verses our locals needs. We struggle with food security and the overuse of our natural resources including our beaches, parks, trails etc.

For as far back as I can remember the discussion has been centered around over tourism and how to shift to an economy that is less reliant on tourism and more self sufficient.

What strikes me as offensive is how individuals who are not residents of Hawaii feel entitled to tell those of us who live here, our legislators and committees what they should and should not do. All in the interest of their investments or 2nd homes when many of our local residents can no longer afford a home of their own and those who do are just getting by.

Since the pandemic and the tragic fires of 2023 on Maui it feels like our elected officials are finally feeling empowered to stand up to outside influences and take measures to align with what local residents, the individuals who elected them are asking for. To represent their voices. To protect our natural resources. To support what residents need. To do what is right.

I live in a condominium complex where the majority of owners utilize their properties as STR investments. My opinion in support of residents needs first has resulted in being ostracized by a number of owners. Despite being alienated I'm speaking up again because being local, being involved in our community and supporting one another is what those of us who live in Hawaii

do.

I do not wish the STV owners or those that rely on tourism ill but I do believe local families should come before tourism and outside agendas. Decisions should be made by those in a position to do so after carefully considering the facts and their constituents/ residents needs.

Your committees are being entrusted to make these decisions. I appreciate the commitment you all are making to do the right thing after carefully reviewing all aspects of these proposals.

Ke Akua Pu Kakou!

Catherine Tieva

Lahaina

March 18,2025

Hawaii Legislator:

We have a small business in Kapaula, Maui. We have already lost substantial business because visitors are hesitant to come to Maui after the Lahaina fire. Elected representatives should be promoting business in Maui, not taxing more to our visitors. Visitors want to spend money on their vacations, not be burdened by unfair taxes.

Hawaii already taxes visitors at a very high rate. Then visitors will not come or will not stay as long if they have to pay ever higher taxes. Please do not add yet another tax on our visitors. Maui can earn more tax money by promoting its businesses. That's is what elected representatives should be doing.

A new tax will only weaken Hawaii's softening tourism. This new bill lacks transparency, fairness, and sustainability. The new tax burden will hurt local businesses and residents.

Yours truly,

Linda Twilling and Basil Boutris
100 Ridge Road # 1614
Kapalua, Lahaina, Maui, HI

SB-1396-HD-1

Submitted on: 3/18/2025 1:56:37 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Cristina Graziano	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 18, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Cristina Graziano, and I am a Hawaii resident, taxpayer, and homeowner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a Maui, Hawaii homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning a home and living in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

Cristina Graziano

SB-1396-HD-1

Submitted on: 3/18/2025 2:09:06 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Brian Roskam, and I own a condo on Maui, where I live for several months a year, and which I rent out as a short-term vacation rental when I am not using it myself. I rely on the income from the short-term rental to help pay the my bills and living expenses. I am submitting this testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase and places an additonal financial burden on the tourism industry in general, and short-term rental properties in particular, at a time when Maui needs to protect its economy.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed. As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.

I am not a large hotel or a corporate vacation rental business—I am an individual who owns one condo, and I need the short-term rental income to pay my expenses. If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that I rely on. This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot. Raising the TAT further will make Hawaii less attractive to travelers, who will choose more affordable destinations instead. Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on short-term rental income to pay my bills, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 2:13:18 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jill Oudil	Individual	Oppose	Written Testimony Only

Comments:

To Whom it May Concern,

Maui and its residents are struggling to make it by with tourism down. They rely on this to be stable to pay bills and be able to keep jobs. This bill is not far or considers the long term effects.

Remember tourism is what is needed and at a reasonable cost so there is people wanting to contribute to the tourism industry.

There are far to many unintended potential consequences here!

Thank you

SB-1396-HD-1

Submitted on: 3/18/2025 2:19:42 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Linda Stirling	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawai'i State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Linda Stirling, I am a Hawai'i taxpayer. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is unfair, and risks the sustainability of continuing efforts to address this critical issue.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of living.

- If the TAT increases again, visitor demand will decrease.
- Many Hawai'i residents use mid- and short-term rentals as a way to avoid financial ruin.

- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today’s world. Funding for disaster preparedness should be:

- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.

Raising the TAT Again Will Make Hawai‘i Less Competitive

Hawai‘i already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawai‘i less attractive to travelers.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

Please consider the real financial impact this bill will have on everyday people.

Thank you for your time and consideration.

Linda Stirling

SB-1396-HD-1

Submitted on: 3/18/2025 2:21:09 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Julia moritz	Individual	Support	Written Testimony Only

Comments:

My name is Julia moritz and I am a windward resident. I strongly support this bill and support the protection of our aina. This bill will help environmental protections and contribute to helping protect these incredible delicate forests, critically endangered native birds and also the dying reefs that need attention immediately. Our natural resources and land in Hawaii are the absolute most important thing to protect. We have a responsibility to protect and be stewards to this land. I volunteer many days to restore ahupuaa and reef clean ups. There is always a massive shortage of the many tasks that we can't accomplish without more funding to on these critically threatened lands, mountains and reefs. I have just travelled to Galápagos Islands and they do an incredible job to responsibly take care of those delicate islands with help from tourism. I paid 200\$ for entry at arrival of the Airport which I was happy to pay knowing this money goes directly to environment protections. The amount of money asking from this bill is not even close to the amount that could be utilized, and this fee is incredibly minimal compared to other environmental fees like Galapagos. There they have completely banned single use plastic including bags, shoe cleaning stations at the airport to prevent plant viruses, signs and educational videos for tourists to learn about respecting the land and plants they are about to enter. Please commit to supporting this fee and be an ally to this land and the Hawaiians who work hard to preserve it. This is a small fee to show visitors and the land of Hawaii the serious commitment of protecting these lands, that this land is not a tourist playground, but a delicate ecosystem. We lose a native Hawaiian honeycreeper to extinction approximately every 2 years. Extinction is forever, the voice of this bird will never be heard ever again on this planet. Within the next 8-10 years, we will likely lose all of our sacred Hawaiian honeycreepers, which was of the most sacred importance to the Ali'i and the native Hawaiians. Please understand the gravity of environmental protections of this land. We have no more time left. mahalo for your time understanding this incredibly urgent need. Mahalo, julia moritz

SB-1396-HD-1

Submitted on: 3/18/2025 2:38:40 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Alex Filardo	Individual	Support	Written Testimony Only

Comments:

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

My name is Alex Filardo and I am submitting written testimony in strong support of SB1396, which aims to increase the transient accommodations tax and dedicate the additional funding towards environmental stewardship, and the care of our biocultural resources that sustain Hawai‘i.

We are watching the consequences of underinvesting in our ‘āina. We see coral bleaching, fires, floods, and brown water pollution harming the places we love and the places that sustain our visitor industry. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai‘i. It is time to ask visitors to help contribute to caring for the environment they enjoy during their stay, and the TAT offers an existing program to do so.

The protection, management, restoration, and stewardship of Hawai‘i’s natural resources is an essential piece toward gaining resilience as an island to climate disasters. Healthier watersheds are less likely to flood, restored coral reefs contribute to food security, and caring for our islands sustains the economic livelihoods of our communities. But when it comes to this important work, nonprofit organizations and community groups have already undertaken this kuleana and are leading the way in stewardship. It’s important that any funding generated from visitors is distributed to solutions that are community based and facilitate partnerships between community and agencies. I recommend the inclusion of a community grant program to work in partnership with the Department of Land & Natural Resources to fulfill our stewardship needs. These organizations are the primary ones doing the work on the ground. I have worked with state and federal government agencies and I am able to acknowledge and recognize all of the work that the nonprofits and community groups do for our ‘āina.

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

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

I urge this committee to pass an environmental stewardship fee this session.

Mahalo for the opportunity to testify,

Alex Filardo

SB 1396

Aloha, Chair and Members of the Committees,

I strongly oppose SB1396 SD3 HD1. While I support efforts for climate resiliency and disaster preparedness, this bill raises several concerns:

- **Lack of Transparency:** It does not specify the proposed tax increase, leaving important decisions potentially hidden from public scrutiny.
- **Unstable Funding Source:** Tourism revenue is a volatile and risky base for such critical funding, as the industry is highly susceptible to global crises.
- **Unfair Burden:** Natural disasters affect all residents and businesses, but this bill places the financial responsibility disproportionately on the tourism sector.
- **Economic Impact:** Raising Hawaii's already high transient accommodations taxes will hurt small businesses, reduce competitiveness, and ultimately harm residents.

I urge the committee to reconsider this approach and explore more equitable, transparent, and stable funding solutions. Mahalo for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 2:50:08 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Pamela Small	Individual	Oppose	Written Testimony Only

Comments:

Subject: Strong Opposition to Bill SB1396

Dear Sir or Madam,

I am writing to express my strong opposition to Bill SB1396, a piece of legislation that I believe will have detrimental effects on Hawaii's economy and its residents. While I understand the need for dedicated funding streams for disaster preparedness and climate resiliency, I believe SB1396 is fundamentally flawed in its approach and will ultimately do more harm than good.

My primary concern stems from the bill's alarming lack of transparency. The failure to specify a concrete tax rate increase leaves the door open for potentially significant and potentially detrimental adjustments to be made outside of public scrutiny. This lack of specificity undermines the public trust and prevents meaningful engagement in the legislative process. The final tax rate could be determined behind closed doors, after public testimony has concluded, effectively silencing the voices of those who will be most affected.

Furthermore, SB1396 relies on an inherently unstable funding source by tying disaster preparedness and climate resiliency initiatives to tourism revenue. The tourism industry, as we have seen recently, is exceptionally vulnerable to global crises, economic downturns, and unforeseen events. Depending on tourism revenue for such critical funding is shortsighted and irresponsible, leaving Hawaii vulnerable when these funds are most needed. A more stable and diversified funding source is essential for ensuring the long-term security and resilience of our communities.

Moreover, the bill creates an unfair burden on the tourism sector. Natural disasters and the impacts of climate change affect all residents and businesses throughout Hawaii. It is unjust and inequitable to single out the tourism industry to bear the financial responsibility for these universal challenges. This approach disproportionately impacts small businesses and local operators within the tourism sector, who are already navigating a challenging economic landscape.

Hawaii already possesses the highest transient accommodations taxes (TAT) in the nation. Further increasing the TAT, as proposed in SB1396, will undeniably make Hawaii less

competitive as a tourist destination. This diminished competitiveness will negatively impact local operators, businesses that support the tourism industry, and ultimately, all residents of Hawaii who benefit from a strong and vibrant economy.

I urge you to reconsider your support for SB1396 and explore alternative funding mechanisms that are more transparent, stable, and equitable. We need solutions that strengthen our resilience without jeopardizing the economic well-being of our community. Thank you for considering my concerns.

Sincerely, P Small

Kawaihae, Big Island

SB-1396-HD-1

Submitted on: 3/18/2025 2:54:21 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Arthur J Sullivan	Individual	Oppose	Written Testimony Only

Comments:

I oppose SB1396. It lacks transparency, as it does not specify a tax rate increase. Also, tying disaster preparedness to tourism revenue is risky and shortsighted. It places an unfair burden on one group (tourism) on an issue (natural disasters) that affect everyone. Increasing the cost tourists pay to visit Hawaii, which already has one of the highest accommodation taxes in the country, will make Hawaii less desirable which will hurt small businesses in particular and Hawaii's overall economy in general.

SB-1396-HD-1

Submitted on: 3/18/2025 3:06:42 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Cory McKim, and I am a Hawaii resident, taxpayer, and homeowner/business owner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a [local?] homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of [owning a home /living] in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 3:08:21 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
C Baker	Individual	Oppose	Written Testimony Only

Comments:

Aloha

As a life long resident of Big Island I am completely against raising any more taxes on our visitors . We survive on the tourism in so many facets of our lives. Adding to the cost of visitors will hurt the state from airlines to food industry. You must! Keep us a viable option for people to come here.

Not only is there no clear amount but outer islands have to give our tax funds to do the monorail which is ridiculous. Myself down to my grandchildren will be out of jobs if this action is taken . Do we really want more homelessness and food bank dependents

We are hard workers and want to earn and grow in our lives .

Mahalo

SB-1396-HD-1

Submitted on: 3/18/2025 3:13:06 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
John and Evelyn Schmitt	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is John Schmitt, and I am a Hawaii homeowner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.

- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a local homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of [owning a home /living] in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.

- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.

- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today’s world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.

- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.

- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.

- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.

· The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

John Schmitt

3959 L. Honoapiilani Hwy. #414

Lahaina, HA 96761

Honorable Adrian Tam, Chair Committee on Tourism, and
Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature
House of Representatives
415 S. Beretania Street, Rm. #423
March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Rob Rietow and I am a Hawaii resident, taxpayer, and business owner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a local homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning a home in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.

- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world.

Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 3:31:48 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Cara Birkholz	Individual	Oppose	Written Testimony Only

Comments:

mahalo for the opportunity to testify. I am opposed to increasing the taxes even more on an depressed tourism economy on Maui. Local businesses are already suffering from lower visitor numbers. This would further restrict visitors and hurt local small businesses and Maui residents.

Cara Birkholz

Kihei

SB-1396-HD-1

Submitted on: 3/18/2025 3:53:22 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Mark Inouye	Individual	Oppose	Written Testimony Only

Comments:

My name is Mark Inouye and I am a condo owner who relies on income from the short-term rental industry. Please stop raising taxes on those that contribute to your economy but who also have no voting power in these tax bills. In addition, I am extremely concerned that the language of this bill does not specify an exact percentage increase in the Transient Accommodations Tax (TAT) but instead, it allows lawmakers to decide the amount after public testimony has closed. Stop doing this to your constituents. You are going to drive away visitors and undermine an entire sector of your economy.

Therefore, I am in strong opposition to SB1396 SD3 HD1.

SB-1396-HD-1

Submitted on: 3/18/2025 4:00:52 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Phillip Trujillo	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 18, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Phillip Trujillo and my wife and I are Hawaii taxpayers and business owners (Maui) who rely on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.

The Legislature should not approve a bill without providing clear, upfront numbers, especially regarding money and taxation. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning property in Hawaii.

If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.

Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.

This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

Planned responsibly within the state budget rather than tied to a volatile industry.

A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.

Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.

Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy. We have seen this occur in the last two years on Maui.

The state cannot afford to drive away more visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who supports Maui county and its working people with substantial tax revenue and visitor spending, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 4:02:57 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Nancy Abel	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chairs and Members,

My name is Nancy Abel, and I am a taxpayer, and homeowner/business owner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed. As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed. The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning a home in Hawai‘i.

If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat. Many Hawai‘i residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state. This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today’s world. Funding for disaster preparedness should be:

Planned responsibly within the state budget rather than tied to a volatile industry.

A shared responsibility across all residents and businesses, rather than unfairly burdening one sector. Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawai'i Less Competitive Hawai'i already has one of the highest lodging taxes in the nation. Raising it even higher makes Hawai'i less attractive to travelers, who will choose more affordable destinations instead. Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy. The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

Nancy Abel



travel2change

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

**Testimony in Support of SB1396 SD3 HD1
House Committee on Tourism
House Committee on Water and Land**

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

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

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

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

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



travel2change

1. **Granting mechanism:** A shared revenue distribution model for a visitor stewardship fee is imperative. The specific inclusion of a community grant program that dedicated at least 50% of annual revenue toward the groups working on the frontlines of mālama ‘āina work in Hawai‘i is essential. When it comes to this crucial work, we have leaders with lifelong expertise who have dedicated their careers to specific stewardship solutions. As the fund prioritizes projects, these partners can support DLNR in implementation. **We urge the committee to include a dedicated community grant program for project selection.**

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

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

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



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



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

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

SB-1396-HD-1

Submitted on: 3/18/2025 4:15:32 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Richard McQuillin	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and
Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature
House of Representatives
415 S. Beretania Street, Rm. #423
March 20, 2025

Dear Chairs and Members,

My name is Richard McQuillin, and I am a taxpayer and homeowner/business owner who depends on short-term rental income to help cover housing and living costs. I strongly oppose SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and unfairly burdens a single sector of the economy.

A major issue with this bill is that it does not specify the exact percentage increase in the Transient Accommodations Tax (TAT), leaving that decision to lawmakers after public testimony has closed.

Taxpayers deserve to know exactly how much they will owe before a bill is passed. The lack of transparency prevents affected individuals from budgeting, planning, or even providing meaningful testimony.

I am not a hotel or corporate vacation rental business—just a homeowner trying to stay financially stable. Short-term rental income helps me afford the rising costs of living in Hawaii.

Increasing the TAT again will reduce visitor demand, threatening my ability to earn needed supplemental income.

Many local residents rely on rentals to avoid financial hardship due to high costs of housing, utilities, and essentials.

Unlike large hotels, small operators cannot simply absorb these added costs.

Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, and other natural disasters are a fact of life in Hawaii. Funding for preparedness should:

Be built into the state budget rather than tied to a volatile industry.

Be a shared responsibility across all residents and businesses.

Come from stable revenue sources, not an unpredictable tourism tax.

Higher Taxes Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the U.S. Raising it further will push travelers to more affordable destinations, reducing income for local businesses and workers. The state cannot afford to drive away visitors and weaken a key part of its economy for an unreliable funding source.

For these reasons, I urge you to reject SB1396 SD3 HD1. This bill would harm everyday people like me who rely on this income to stay afloat.

Thank you for your time and consideration.

Sincerely,
Richard McQuillin

SB-1396-HD-1

Submitted on: 3/18/2025 4:53:49 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sandra L Micallef	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and
Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature
House of Representatives
415 S. Beretania Street, Rm. #423
March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Sandra Micallef, and I am a Hawaii taxpayer and homeowner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning a home in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.

- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today’s world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration

SB-1396-HD-1

Submitted on: 3/18/2025 4:57:51 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Dear Chairs and Members,

My name is Todd Lynam, and I am a Hawaii resident who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am a local and not a large hotel or a corporate vacation rental business. The income helps us cover our own housing costs and the rising cost of living in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today’s world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 5:00:37 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Helena Von Sydow	Individual	Oppose	Written Testimony Only

Comments:

Dear Council members;

We strongly oppose **SB1396 SD3 HD1** as it poses a significant threat to Hawaii’s tourism industry and small businesses. This bill proposes an unidentified tax increase while tying essential disaster preparedness funding to an unstable revenue source.

- **Lacks Transparency** – The bill fails to specify the tax rate increase, leaving the final amount to be determined behind closed doors, after public testimony has ended.
- **Creates an Unfair Burden** – Natural disasters affect all residents and businesses, yet this bill places the financial responsibility solely on the tourism sector.

We urge lawmakers to seek a more equitable and transparent solution.

Thank you

Helena von Sydow

SB-1396-HD-1

Submitted on: 3/18/2025 5:01:39 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Harald von Sydow	Individual	Oppose	Written Testimony Only

Comments:

To whom it may concern;

We strongly oppose **SB1396 SD3 HD1** as it poses a significant threat to Hawaii’s tourism industry and small businesses. This bill proposes an unidentified tax increase while tying essential disaster preparedness funding to an unstable revenue source.

- **Lacks Transparency** – The bill fails to specify the tax rate increase, leaving the final amount to be determined behind closed doors, after public testimony has ended.
- **Creates an Unfair Burden** – Natural disasters affect all residents and businesses, yet this bill places the financial responsibility solely on the tourism sector.

We urge lawmakers to seek a more equitable and transparent solution.

Thank you

Harald von Sydow

SB-1396-HD-1

Submitted on: 3/18/2025 5:04:29 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Tamara Bexton	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Tamara Bexton, and I am a Hawaii resident, taxpayer, and homeowner and business owner who relies on income from the short-term rental industry. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a local homeowner trying to make ends meet. If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.

- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

Currently visitors are down on Maui, I have had to drop rates to even come close to the occupancy of a few years ago, and property taxes and insurance costs have gone way up. Currently I am subsidizing my place monthly - there are no extra profits to tax. President Trump's actions will cause a large drop in Canadian tourism, a major portion of our clients. The Canadian dollar is also very weak relative to the US and people I know are choosing to go where costs are less and they feel more welcome. We are very quickly destroying the source of the income you are hoping to benefit from.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 5:27:20 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ryan Stirling	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose SB 1396, SD3, HD1. Maui already faces some of the highest General Excise Tax (GET) and Transient Accommodations Tax (TAT) rates in the nation. This additional \$20 flat tax on stays booked with points and miles represents a massive tax increase on visitors, further diminishing the affordability of travel to Maui and potentially harming its vital tourism economy.

March 18,2025

Honorable Adrian Tam, Chair Committee on Tourism and Honorable Mark J Hashem Committee on Water and Land

Hawaii State Legislature

OPPOSITION TO SB1396 SD3 HD1

My name is Roger MacArthur and I am a Maui resident taxpayer and homeowner that relies on income from short term rental industry to supplement my housing costs and living expenses. I'm submitting testimony in strong opposition to Senate Bill 1396 SD 3 HD1 because it proposes an undefined tax increase, it lacks fiscal transparency and places a disproportionate financial burden on a single unpredictable sector of our economy .

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the TAT tax. instead it allows taxpayers and makers to decide the amount after public testimony has closed .

As a taxpayer I deserve to know exactly how much more I will be expected to pay before this bill is passed.

The Legislature should not approve a bill without providing clear upfront numbers .This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

If the TAT increases again, visit or demand will decrease directly affecting my ability to earn the supplemental income that keeps me afloat many Hawaii residences use mid and short term rentals as a way to avoid Financial ruin especially with a high cost of utilities groceries and medical care in our state .

Hawaii has one of the highest lodging taxes in the nation. Raising it even further will make Hawaii less attractive to travelers who will choose more affordable destinations instead.

For all of these reasons I strongly urge this committee to reject SB1396 SD3HD1.

Thank you for your time and consideration.

Roger MacArthur

705 Uluhea Way

Wailuku, Hi.96793

SB-1396-HD-1

Submitted on: 3/18/2025 5:34:57 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs Tam and Hashem, Vice Chairs Templo and Lamosao, and members of the joint committee,

My name is Will Caron, and I am a resident of Kahalu‘u, O‘ahu. I am testifying in strong support of SB1396 SD3 HD1, which would help dedicate funding toward Hawai‘i’s natural and cultural resources that sustain the safety of our people, place, and economy.

We are watching the consequences of underinvesting in our ‘āina impact the people and places we love. Coral bleaching, fires, floods, and brown water pollution are harming the environment that sustains our visitor industry and economic livelihoods. This consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks come.

It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai‘i. Enacting legislation like SB1396 could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

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

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

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

Mahalo for the opportunity to testify.

SB-1396-HD-1

Submitted on: 3/18/2025 5:45:19 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Honorable Adrian Tam, Chair Committee on Tourism

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Dean Sandow and I am a Hawaii taxpayer and property owner. I rely on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single unpredictable sector of the economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a property owner trying to make ends meet. The income helps me cover my own costs and the rising cost of property ownership in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in Hawaii.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Even Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising the tax even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

Dean Sandow

Maui Kamaole G201

SB-1396-HD-1

Submitted on: 3/18/2025 5:59:36 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Joshua Montgomery	Individual	Oppose	Written Testimony Only

Comments:

I write in strong opposition to SB 1396. While I fully support efforts to enhance disaster preparedness and climate resiliency, this bill takes an unstable and unfair approach that could have serious economic consequences.

This measure proposes an undefined tax increase, which lacks transparency and prevents meaningful public input. It also ties critical disaster preparedness funding to tourism revenue—an industry that has proven to be highly volatile due to economic downturns, pandemics, and natural disasters. Relying on such an unpredictable source for essential programs is shortsighted and financially unsound.

Additionally, placing the financial burden of disaster preparedness solely on tourism businesses is inequitable. Natural disasters impact all residents, yet this bill singles out one sector to shoulder the cost. Hawaii already has the highest transient accommodations tax (TAT) in the country, and increasing it further will make our state less competitive, harming small businesses and local operators who depend on visitors to survive.

I urge you to reject this bill and seek more stable, fair, and transparent solutions to fund disaster preparedness.

Mahalo for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 6:02:03 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

I'm thoroughly disappointed that the very County government that has proposed a full phase out of TVRs to supposedly allow affordable housing (which it has been proven wrong and economically disastrous for Maui) is now voting for a bill that punishes tourists and businesses to reimbursing them in the Lahaina Settlement approved by Judge Peter Cahill due to County liabilities. The fragile economy already reeling from the UHERO determination of TAT loss of funds from small condos and collateral losses of income results in a proposed gouging tax on price shopping guests!! I thought the \$50 tourists tax was a stupid idea but this law gives nothing to the victims of Lahaina and is a money grab for Maui coffers. Stupid is as stupid does.

SB-1396-HD-1

Submitted on: 3/18/2025 6:24:19 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Carole Corcoran Williams	Individual	Oppose	Written Testimony Only

Comments:

Dear Chair and Members,

My name is Carole Corcoran Williams and my family and I are part time residents, taxpayers and homeowner who rely on the short term rental industry to make a living. I am asking that you please reconsider your actions and think about all the people this will impact and hurt.

This bill threatens Hawaii's tourism industry as well as small businesses. Why weaken an already softening industry?

The bill also lacks transparency, fairness and sustainability.

A new tax burden will not help local businesses or residents.

As a wife, mother and grandmother, I am pleading with you to reconsider and reject SB1396

Thank you for your time and consideration,

Carole Corcoran Williams

SB-1396-HD-1

Submitted on: 3/18/2025 6:44:38 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

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 that the State 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 that, with Hawaii already levying the highest accommodation taxes in the nation, any consideration is given to raising it further. My business is down by 30% since the Lahaina fires and advance reservations are off by 60% for the next 6 months. Visitor counts have not yet recovered from Covid and since then, the State has commandeered the Counties's share of the TAT and leaving the Counties to raise the TAT by another 3% just 3 years ago.

It is 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 jobs and less revenue for the State.

Yes, there are those in Hawaii who have become jaded by the jobs, revenues, and taxes that come from the tourism industry. And certainly many of them would like to tax the visitors away. But this is just bad legislation and should be stopped immediately. It is over taxation like this that has resulted in the clown that is currently occupying the White House. But he was elected because of 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 this bill.

SB-1396-HD-1

Submitted on: 3/18/2025 7:14:24 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Lacks Transparency – It does not specify a tax rate increase, meaning the final number could be set after public testimony closes and behind closed doors.

Relies on an Unstable Funding Source – Tying disaster preparedness and climate resiliency to tourism revenue is risky and shortsighted, given the industry's vulnerability to global crises.

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

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

SB-1396-HD-1

Submitted on: 3/18/2025 7:41:11 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Isaac Owlett	Individual	Oppose	Written Testimony Only

Comments:

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Isaac, and I am a [Hawaii resident, taxpayer, and homeowner/business owner] who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.

The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a [local?] homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of [owning a home /living] in Hawaii.

If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.

Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.

This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

Planned responsibly within the state budget rather than tied to a volatile industry.

A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.

Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.

Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.

The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/18/2025 7:47:05 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Vicky Poland	Individual	Oppose	Written Testimony Only

Comments:

Aloha Honorable Members of the Senate. I wish to testify in strong opposition to this bill. Taxing our already highly taxed tourists will encourage them to seek a more affordable place to visit thus harming our economy. Also this bill harms our small business owners like my self who rely on the tourist industry. Please do not add more taxes. Mahalo Vicky Poland

SB-1396-HD-1

Submitted on: 3/18/2025 8:15:37 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Dr. Kioni Dudley	Individual	Support	Remotely Via Zoom

Comments:

I am Dr. Kioni Dudley. I created the one-hour video titled "The New Hurricane Threat for Hawaii" which showed on local TV stations ten times in September. (It can currently be seen on YouTube.)

SB1396 has undergone tremendous changes at various hearings. We so desperately need to get back to including things in the original intent: climate change resiliency things, hurricane preparedness things. This is your chance to save many, many thousands of lives in our first hurricane, including your own life and those of your family and friends. are getting stronger and wider, and because of warming seas, Hawai'i is directly in the path of those crossing the Pacific. The cool seas that held them off are no longer cool, and the tradewinds that tore them apart aren't coming now on half of the days of the year. We are 100,000 "shelter spaces" short for a Category 1. We have *zero* shelter spaces that can withstand a Category 3, 4, or 5. There is *no place* for *anybody* to go, including you and your family.

As it progressed through hearings, the main purpose of SB1396 was changed so that it funded rail with TAT money. Hurricane resiliency was kept as a minor afterthought at the end. Perhaps by it being changed to funding rail, it will get through the legislature. If we put in climate change resiliency (hurricane preparedness), that can get through the legislature too.

Page 7 of the current form of SB1396 has all of the TAT money going into Mass Transit. BUT Section 3 on page 8 has an unspecified amount taken out of the general fund for DLNR to protect and restore natural resources, forests, native plants, animals, aquatic resources, coastal lands, and freshwater resources. Note that in a March 4, SD1396, S.D.2 SFA 3 (Floor Amendment 3) coming out of WAM, these funds were going to fund projects that address climate change resiliency.

The lives of people are far more important than the lives of trees and native plants. The sole reason we don't have any hurricane shelters is because there have never been funds for them or funds for an office to administer creating them. We need to get Section 3 refocused on saving lives of humans.

As more background, let me note that there is another bill, HB1467, that is progressing well in the Senate, which would give grants to homeowners to fortify their homes against hurricanes. That bill sends funds to DBEDT, not DLNR, and includes funding for an office to administer the grants. It allows DBEDT to contract the administering of the grants to other entities. It would be

good to keep all climate change money in one Department and would be good to allow DBEDT to contract with other entities for the office and administration.

Changes I recommend for SB1396:

Section 3 needs to be completely changed to fortify current “places of refuge” and to create new “hurricane shelters” that can withstand Category 5 hurricanes with winds of 200 mph+, and to create and fund an Office within DBEDT with funding to do this.. We need to get that funding. I suggest requesting \$100 million for the first year and the same for the second year. (Because our current “shelters” do not meet the specifications for “hurricane shelters” they are called “places of refuge.”)

We need to add that “Beginning in 2026, all new public buildings and school buildings that can reasonably be used for hurricane shelters shall be designed to withstand category 5 hurricanes with winds of 200 mph+ and shall have interior passages to bathrooms.”

This a place where we could also add that “Homes in the 130 mph wind zone and below need to be built to withstand Cat 3 hurricanes, and those in 140 mph and above must be built to withstand Cat 5 hurricanes. And *all* new homes in Hawaii must have safe rooms with attached bathrooms that can withstand 200 mph+ winds. (is stronger than the State Building Code, but we need to start doing it. Note that the state building code requires safe rooms in all new houses in the 130 mph wind area. The Honolulu City Council voted to support that, but at the request-following-donations of the Building Industry Association of Hawaii, later voted to only require saferooms at the 140 mph wind level and above. See map below. So now, portions of Makakilo, Kapolei, Ewa, Royal Kunia, Waipahu, Mililani, Pearl City, Halawa Heights, and Salt Lake—all of the big ongoing developments—are being built without the saferooms required in the State building code. (D R Horton says saferooms in new houses cost only \$5,000-\$7,000!!)

The tasks assigned to the Office mentioned in this bill need to include administering and overseeing the fortifying of current places of refuge and the building of new hurricane shelters, administering and overseeing compliance in the building of new schools and public buildings to withstand Cat 5 hurricanes, and overseeing compliance with building code changes for new homes.

SB-1396-HD-1

Submitted on: 3/18/2025 8:54:47 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

I oppose this bill.

SB-1396-HD-1

Submitted on: 3/18/2025 9:29:41 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
KEALA FUNG	Individual	Support	Written Testimony Only

Comments:

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

My name is Keala Fung and I am submitting written testimony in strong support of SB1396 SD3, 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 in the tourism industry on Oahu for 13 years and I feel like this bill will be such a positive thing for Hawaii.

We are watching the consequences of underinvesting in our ‘āina impact the people and places we love. Coral bleaching, fires, floods, and brown water pollution are harming the environment that sustains our visitor industry and economic livelihoods. This consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks come. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai‘i. Enacting legislation like SB1396 could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

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

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

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

Mahalo for the opportunity to testify,

Keala Fung

SB-1396-HD-1

Submitted on: 3/18/2025 9:38:51 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Andre Gueziec	Individual	Oppose	Written Testimony Only

Comments:

Dear Chairs and Members,

My name is Andre Gueziec and I am a Hawaiian taxpayer, and homeowner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

SB-1396-HD-1

Submitted on: 3/18/2025 11:11:27 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ella Williams	Individual	Oppose	Written Testimony Only

Comments:

Aloha, This needs to be rethought-- charging an unspecified tax, and then receiving "loyalty" points? Seems too gimmicky, complicated- how to redeem the points?, etc. Confusing,

I think it would fly better with tourists if it was a very small increase so it doesn't feel like a gouge, forget the loyalty points, and make the reasoning for the increase be to "save Hawaii's ecosystem and prepare for disasters." Most people would be on board for that. Then use the money for real problems tourists and locals can "see" now-such as preventing washed out impassable roads from storms, by managing water upstream to keep brownwater out of the ocean and killing coral and sealife. (Kihei, annually) When people see and experience where their money is going, they don't mind spending for it. Mahalo.

SB-1396-HD-1

Submitted on: 3/19/2025 3:36:55 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Julie Funke	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Julie Funke, and I am a Hawaii homeowner. I own a condo on Moloka'i. I rely on income from the short-term rental industry to supplement the housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a homeowner committed to the local Moloka'i economy trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning a home in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration. Take good care.

March 19, 2025

Submitting written testimony in opposition to SB1396/SD3HD1

I am a part time resident of the Waikiki Banyan and also rent out my unit. Each year with my one unit I support all local Honolulu based businesses spending approximately \$20,000 with City Mills, Kileau Pest, A1 Budget Plumbing, ABC Furniture, Tropical Escapes Realty property management, and others.

These bills

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

Thank you!

Stephen Llorens

SB-1396-HD-1

Submitted on: 3/19/2025 3:58:29 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Roy Lindfield	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill due to:

Lacks Transparency – It does not specify a tax rate increase, meaning the final number could be set after public testimony closes.

Relies on an Unstable Funding Source – Tying disaster preparedness to tourism revenue is risky and shortsighted, given the industry's vulnerability to global crises.

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

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

SB-1396-HD-1

Submitted on: 3/19/2025 3:59:23 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is kim godell , and I am a hawaii , taxpayer, and homeowner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of [owning a home /living] in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/19/2025 4:06:25 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Aloha to all concerned,

SB1396; This bill threatens Hawaii’s tourism industry and small businesses by proposing an undefined tax increase and tying vital disaster preparedness funding to an unstable revenue source.

While we strongly support climate change resiliency and natural disaster mitigation, this bill:

Lacks Transparency – It does not specify a tax rate increase, meaning the final number could be set after public testimony closes.

Relies on an Unstable Funding Source – Tying disaster preparedness to tourism revenue is risky and shortsighted, given the industry's vulnerability to global crises.

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

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

I therefore strongly oppose SB1396,

With gratitude,

Laurie Gray

SB-1396-HD-1

Submitted on: 3/19/2025 4:25:46 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Please vote NO on SB 1396 SD3 HD1. Hawaii already has the country's highest transient accommodations taxes (TAT). Raising it further will make our state less competitive, impacting local operators and businesses and ultimately all residents.

SB-1396-HD-1

Submitted on: 3/19/2025 4:33:12 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Our major industry will be negatively affected. We already have the highest taxes in the nation for short term rentals. We cannot afford to become less competitive in this market. We absolutely cannot lose this business income and tax revenue.

SB-1396-HD-1

Submitted on: 3/19/2025 4:48:43 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Aloha,

I strongly urge this committee to reject SB1396 SD3 HD1.

My Ohana relies on this income to survive and the impact of this bill will be devastating to our financial situation.

SB-1396-HD-1

Submitted on: 3/19/2025 4:55:27 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
arthur castonguay	Individual	Oppose	Written Testimony Only

Comments:

Dear Chairs and Members,

My name is Arthur Castonguay, and I am a Hawaii, taxpayer, and homeowner/business owner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a [local?] homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of [owning a home /living] in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration

SB-1396-HD-1

Submitted on: 3/19/2025 4:58:35 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Leslie Blok	Individual	Oppose	Written Testimony Only

Comments:

I am opposed to measure SB1396. Tourism is currently an important revenue stream for Maui. Visitors are already being taxed out of visiting. Maui is getting a bad reputation for being an unfriendly place to visit. Until there is another way to sustainably generate revenue for Maui's residents, tourism needs to be managed and facilitated, not discouraged by higher fees and taxes. Mahalo Leslie Blok

SB-1396-HD-1

Submitted on: 3/19/2025 5:01:18 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ken Kribel	Individual	Oppose	Written Testimony Only

Comments:

SB-1396-HD-1

Submitted on: 3/19/2025 5:20:31 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kilty Highfill	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Kilty Highfill , and I am a taxpayer and homeowner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of [owning a home /living] in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
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- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/19/2025 5:27:41 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sherrri Morgan	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature, House of Representatives, 415 S. Beretania Street, Rm. #423

March 19, 2025

Dear Chair and Members,

I am a Maui property owner who relies on short term rental income to supplement my housing costs. I am in strong opposition to SB 1396 SD3 H1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single sector of our economy rather than across the entire state.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before and if the bill passes.
- Another TAT increase will affect the tourism which is already down by discouraging visitors to the island. We will be priced out of the market. Fewer tourists has widespread consequences not just affecting us, but local businesses, restaurants and service workers who depend on the tourism economy.
- Large hotels can absorb the additional costs, we cannot.
- Natural Disaster Preparedness should be a shared responsibility between all residents and businesses, rather unfairly burdening one sector.

Pleae consider the real financial impact this bill will have on the community. I urge you to REJECT SB1396 SD3 HD1.

Thank you for you consideraation,

Sherrri and Steve Morgan

SB-1396-HD-1

Submitted on: 3/19/2025 5:47:37 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jackie Sonney	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and
Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature
House of Representatives
[415 S. Beretania Street, Rm. #423](#)
March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Jackie Sonney and I am a taxpayer and homeowner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning a home in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

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- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/19/2025 5:49:46 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Nancy Noll	Individual	Oppose	Written Testimony Only

Comments:

Dear Members of the Senate,

PLEASE VOTE NO ON THIS BILL.

Hawaii already has the highest transient accommodation tax in the country. This is just another added tax, which lacks transparency, creates an unfair burden on the tourist industry, and will hurt small businesses and Hawaii's economy.

Thank you for your consideration.

SB-1396-HD-1

Submitted on: 3/19/2025 6:17:52 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
William minikel	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.

The Legislature should not approve a bill without providing clear, upfront numbers.

Hawaii already has one of the highest lodging taxes in the nation. Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead. Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.

mahalo for your time,

William Minikel

SB-1396-HD-1

Submitted on: 3/19/2025 6:47:22 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Charlotte Frank	Individual	Support	Written Testimony Only

Comments:

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

My name is Charlotte Frank and I am submitting written testimony in strong support of SB1396 SD3, which would help dedicate funding toward Hawai‘i’s natural and cultural resources that sustain the safety of our people, place, and economy.

We are watching the consequences of underinvesting in our ‘āina impact the people and places we love. Coral bleaching, fires, floods, and brown water pollution are harming the environment that sustains our visitor industry and economic livelihoods. This consistent underinvestment is costing our state tremendous financial resources when disasters strikes, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks come. It estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai‘i. Enacting legislation like SB1396 could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

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

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

We cannot wait for another fire, flood, or tragedy without a solution. This measure is a critical step toward a future where Hawai‘i is protected, cared for, and healthy - for our communities, economy, and future generations. I am calling on lawmakers to take bold action to safeguard our

home, and listen to the overwhelmingly supportive visitors and residents that have been calling for action.

Mahalo for the opportunity to testify,

Charlotte Frank

SB-1396-HD-1

Submitted on: 3/19/2025 6:57:00 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

My name is Mary Means, and I am a Hawaii resident & a tax payer. We are able to fund visits with our grown kids and grandkids annually by allowing our condo to be rented while we are gone, for those three weeks. I am submitting testimony opposing strongly to SB1396 SD3 HD1 because it hopes to enact another tax increas, and is not clear, and puts further financial burden on a single sector of Hawaii's economy rather than a fair collection from all Hawaiians, which is unfair.

I am most concerned that this bill if passed is vague, not being specific or exact on the percentage increase in the Transient Accomodation Tax (TAT). The vagueness allows our leaders to decide an amount, which is frightening to us in light of all the recent tax raises, and extra costs of living here in Hawaii.

This vagueness seems purposeful, and dangerous to those of us living in our means, and have already had to make substantial accommodations for taxes, and extra costs of living here. To be able to accept any more increases we tax payers should be given the exact amount. It seems that that is what should be done, anyway in order for Lesislature to approve a bill, isn't that true?

Also we have heard and seen that visitors have decreased on Maui, this bill appears to be another deterrent to visitors. A TAT increase will lower visitor demand even more.

I am not someone who's business is renting places here, I do not have more condos or homes to rent., nor do we rent out our place except as described above.We use the few weeks we rent to help us with the higher costs of living here, and/or to pay for our airfare.

The state needs to stop passing deterrents for visitors to come to Maui, please stop this bill, and try to spend our money more wisely.

Mary Means

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SB-1396-HD-1

Submitted on: 3/19/2025 7:05:05 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lisa Vlachakis	Individual	Oppose	Written Testimony Only

Comments:

1. Lack of Transparency

The absence of a specified tax rate increase is concerning because it undermines public trust. Without a clear number, residents and businesses are unable to evaluate the potential financial burden. Transparency is crucial for maintaining democratic processes and ensuring accountability.

2. Reliance on an Unstable Funding Source

Tourism revenue is heavily influenced by external factors like global pandemics, economic downturns, and geopolitical tensions. Tying disaster preparedness and climate resiliency to such a volatile source of income could lead to budget shortfalls when these funds are most needed. A more diversified and stable funding approach would ensure consistent support for these critical initiatives, safeguarding the community in times of crisis.

3. Creation of an Unfair Burden

While natural disasters affect the entire population, this bill disproportionately shifts the financial responsibility onto the tourism industry. Every resident and business benefits from disaster preparedness and climate resiliency, so the funding should reflect a shared responsibility. Singling out one sector could foster resentment and hinder collective efforts to address these urgent issues.

4. Impact on Small Businesses and the Economy

Hawaii's existing transient accommodations taxes (TAT) are already among the highest in the nation. Further increasing these taxes could drive tourists to more affordable destinations, reducing revenue for local operators. This domino effect would ripple through the economy, affecting not only businesses directly linked to tourism but also those that support the industry, from suppliers to service providers. Ultimately, the economic strain would impact all residents through job losses and reduced economic growth.

SB-1396-HD-1

Submitted on: 3/19/2025 7:22:52 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Dear Sir/Madam,

I oppose this bill because it is vague, subject to change after it is passed (and without any public input) and seems to unfairly put the major burden of payment on a slim sector of our most valuable economic driver in the islands.

I suggest sending this bill back for further preliminary work and taxing our dirtiest industries (Costco accounts for large volumes of CO2 emissions generation from its very profitable operations and very stable sales and revenue generation) rather than increasing the potential tax on transient accomodations (small operators using eco friendly washing liquids, climate mitigation energy saving air con units, and already paying the highest level of tax of this type in our United States).

Thank you for hearing my opposition.

SB-1396-HD-1

Submitted on: 3/19/2025 7:30:46 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Eva Calcagno	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill for two main reasons. First, as a condo owner on the Big Island who also uses my place as a short term vacation rental, the GET and TAT are already very high, nearly 20% which makes Hawaii less affordable as a vacation destination. We recently had to add the 3% Hawaii County TAT. Tourism and vacation rentals are plateauing and my % of rental days each year is declining. I don't want to add more taxes to make it even less affordable. Everybody loves transient lodging taxes because they think only "others" will pay them. But, it will also impact inter-island travelers visiting family, seeking medical care, etc.

Secondly, emergency preparedness should be a primary goal for the State and it should not be funded by variable taxes that can drop precipitously (EX: the COVID pandemic) or due to other global economic factors (Trump Tariffs, declining travel from Canada and Japan).

I urge you to block this bill. Thank you.

SB-1396-HD-1

Submitted on: 3/19/2025 7:45:51 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Linh Le	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose. The state and city has overtaxed individual residents rather than the big mainland businesses. Transient accommodations owners make very little profit. Many are trying to sell their short term rental units--see the real estate listings--but are unable to sell. They are receiving offers from mainlanders and overseas like China. Leave the residents alone. The state and city has already to put residents in debt. Please stop.

SB-1396-HD-1

Submitted on: 3/19/2025 8:03:10 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Bavi Le	Individual	Oppose	Written Testimony Only

Comments:

I oppose the bill. This week ruin the tourism industry by raising taxes!

SB-1396-HD-1

Submitted on: 3/19/2025 8:03:48 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Alexis Muller	Individual	Comments	Written Testimony Only

Comments:

Aloha chair, vice chair and committee members,

I agree with approritaing funds for natural resources, but there are concerns regarding the funding. Increasing taxes on local tourism rentals is a undue burden that should be placed on the larger corporate tourism industry.

SB-1396-HD-1

Submitted on: 3/19/2025 8:29:08 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Ti strongly oppose this bill, this will undercut the middle class.

SB-1396-HD-1

Submitted on: 3/19/2025 8:29:45 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Aloha,

My name is Sam Dorios, and I am testifying in ***strong support of SB1396 SD3, Relating to Economic Development***, which would help dedicate funding toward Hawai‘i’s natural and cultural resources that sustain the safety of our people, place, and economy.

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

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

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

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

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

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

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

Mahalo for the opportunity to testify,

-Sam Dorios

SB-1396-HD-1

Submitted on: 3/19/2025 8:32:35 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Honorable Adrian Tam, Chair

Committee on Tourism, and Honorable Mark J. Hashem Committee on Water and Land

415 S. Beretania St., Rm. #423

March 19,2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Barry White, and I am a taxpayer and small business owner who relies on income from the short-term rental industry to supplement my housing costs and expenses. I am submitting strong opposition to SB 396 SD3 HD1 because it proposes an undefined tax increase, lacks financial transparency, and places a disproportional financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is very unfair, and risks the successful future of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase of the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has been closed.

As a taxpayer and small business owner, I deserve to know how much more I will be expected to pay before this bill is passed. In addition, the Legislature should not approve a bill without providing clear, upfront, numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm we would encounter.

I am not a large hotel or a corporate vacation rental business-I am a single property owner trying to make ends meet. The income helps me cover my housing costs and rising costs of owning a home in Hawaii.

If TAT increases again, visitor demand will uncertainly decrease, directly affecting my ability to earn the supplemental income that keeps me afloat. Additionally, many Hawaii residents use

mid and short-term rentals as a way to avoid financial ruin, especially with the high costs of utilities, groceries, and medical care in the state. This bill does not consider how many small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness should be a shared responsibility. Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism-they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

....Planned responsibility within the state budget rather than tied to a volatile industry.

.....A shared responsibility across all residents and businesses rather than unfairly burdening one sector.

.....Funded through state revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT tax once again will make Hawaii less competitive. Hawaii already has one of the highest lodging taxes in the nation. Raising it even higher makes Hawaii less attractive to visitors who will choose vacation to more affordable destinations elsewhere. Fewer visitors means less income for local businesses, restaurants, and service workers who depend on the tourism economy. The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all of these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me and other small business owners.

Thank you for your time and consideration.

Barry White

SB-1396-HD-1

Submitted on: 3/19/2025 8:35:40 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Daniel Jacob Steimel	Individual	Oppose	Written Testimony Only

Comments:

Dear Committee Members,

I am writing to express my strong opposition to Senate Bill 1396 SD3 HD1, which proposes an increase in the Transient Accommodation Tax (TAT) beginning January 1, 2026. While I understand the need for revenue to address pressing state issues, this measure will have significant negative consequences for Hawaii's economy and its residents.

Economic Impact on Tourism

Hawaii's tourism industry is a cornerstone of our economy, providing jobs and supporting local businesses. Increasing the TAT risks discouraging visitor arrivals, as tourists may opt for more affordable destinations. This could lead to reduced revenue from tourism overall, undermining the intended financial benefits of the tax hike.

Burden on Local Residents

The increased TAT will not only affect tourists but also local residents who rely on affordable accommodations for family gatherings and events. Higher costs will disproportionately impact low- and middle-income families, exacerbating economic inequality in our state.

Alternative Solutions

Instead of increasing taxes that could harm our vital tourism industry, I urge lawmakers to explore alternative revenue sources or cost-saving measures. For example, optimizing existing tax collection processes or reallocating funds from less critical programs could help address budgetary needs without burdening residents or visitors.

In conclusion, I urge you to reconsider SB1396 SD3 HD1 and its potential consequences. Protecting Hawaii's economic stability and ensuring equitable policies should remain a priority.

Thank you for your attention to this matter.

Sincerely, Dan Steimel

SB-1396-HD-1

Submitted on: 3/19/2025 8:55:39 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Gary Smith	Individual	Oppose	Written Testimony Only

Comments:

While we strongly support climate change resiliency and natural disaster mitigation, this bill:

Lacks Transparency – It does not specify a tax rate increase, meaning the final number could be set after public testimony closes and behind closed doors.

Relies on an Unstable Funding Source – Tying disaster preparedness and climate resiliency to tourism revenue is risky and shortsighted, given the industry's vulnerability to global crises.

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

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

SB-1396-HD-1

Submitted on: 3/19/2025 8:56:07 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

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

SB-1396-HD-1

Submitted on: 3/19/2025 9:14:14 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Allan J Aprea	Individual	Oppose	Written Testimony Only

Comments:

ear Chairs and Members,

My name is Allan Aprea, and I am a Hawaii resident, taxpayer, and homeowner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning a home in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.

- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

Allan J. Aprea

SB-1396-HD-1

Submitted on: 3/19/2025 9:26:20 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Scott Crawford	Individual	Support	Written Testimony Only

Comments:

With federal funding cuts threatening conservation programs—including staffing for national parks, wildlife refuges, and nonprofit grants—Hawai‘i must establish reliable funding to protect and manage our natural resources.

Our ecosystems, from mountain forests to coral reefs, sustain local subsistence practices, outdoor recreation, and the beauty that drives our visitor economy. A recent Care for ‘Āina Now poll found that three in five visitors to Maui support a \$25–\$50 environmental impact fee. If approved, this funding would support wildfire prevention, coastal protection, and marine conservation.

Communities across Maui Nui and ka pae ‘āina are committed to mālama their places, using generational knowledge to guide conservation. But passion alone isn’t enough—we need sustained funding to protect what is precious.

A visitor impact fee is a proactive, responsible solution to ensure our natural resources thrive for future generations. Now is the time to act.

SB-1396-HD-1

Submitted on: 3/19/2025 10:12:06 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Robert Oswald	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature
House of Representatives
415 S. Beretania Street, Rm. #423

March 19, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

By way of introduction: Robert and Stephanie Oswald, owner/operators of Tranquil Palms Bed & Breakfast (fully licensed) on Maui.

Our home business directly relies on a healthy tourism economy.

Today we submit urgent testimony in **strong opposition to SB1396 SD3 HD1** because it threatens the economic foundation that supports our sole income source - our B&B.

Hawai'i's tourism industry is already facing challenges with rising airfare, global inflation, and economic uncertainty. Introducing a new tax on rewards-based stays and an **unclear increase in the Transient Accommodations Tax (TAT)** will make our islands even LESS attractive to visitors.

We must not take visitor demand for granted—many other destinations are competing for and Welcoming travelers who COULD have chosen Hawaii.

"If you want less of something, tax it". Hawaii's high taxes, onerous fees, and anti-Aloha zeitgeist are sending vacation travelers to other destinations that are appreciative of their business. Imagine that!

Local Businesses and Workers Are Already Suffering

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

As owner operators of a popular Bed & Breakfast, we rely on a steady flow of visitors. That flow is currently down 40% due to the perceived ill-will the Hawaiian government toward tourism. If this bill passes, it means more lost bookings, which will force us to reduce the money we pay cleaners and other contractors.

New Tax Revenue Must Be Transparent

While we fully support protecting the environment, Hawai'i has a history of misusing TAT funds, diverting money from its intended purposes. Before raising taxes, the state should audit existing TAT funds to ensure they are being used correctly instead of adding new financial burdens on visitors. And then LOWER the TAT to economically WELCOME visitors.

Hawai'i's economy relies on a balanced approach—we need to protect our environment without making our islands too expensive for visitors or unsustainable for local businesses. SB1396 SD3 HD1 threatens tourism at a time when we can least afford it.

Increasing taxes in these weak economic times is government negligence at best, economic suicide at worst.

Urging you to oppose this bill and find responsible funding solutions that will not damage Hawai'i's largest economic contributor - tourism.

Thank you for your consideration.

Respectfully,

Robert & Stephanie Oswald
www.TranquilPalmsMaui.com

SB-1396-HD-1

Submitted on: 3/19/2025 10:14:58 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Martina Wing	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and
Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature
House of Representatives
415 S. Beretania Street, Rm. #423

March 19, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Martina Wing, and I am a Hawaii resident, taxpayer, homeowner, and business owner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing precise, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a local homeowner trying to make ends meet. The income helps me cover my housing costs, mortgage, and the ever-increasing cost of living in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals to avoid financial ruin, especially given the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- Rather than unfairly burdening one sector, it is a shared responsibility across all residents and businesses.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

Respectfully,
Martina Wing
Hawaii Resident & Taxpayer

SB-1396-HD-1

Submitted on: 3/19/2025 10:28:14 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Dane Ing	Individual	Oppose	Written Testimony Only

Comments:

Aloha e Legislators,

I am writing to express my strong opposition to bill SB1396 SD3 HD1. While I fully support efforts to enhance disaster preparedness and climate resiliency, this bill raises serious concerns that must not be overlooked.

First and foremost, the bill lacks transparency. It does not specify the extent of the tax rate increase, leaving room for potentially excessive hikes that could be decided after public testimony has concluded. This undermines the democratic process and limits public input on a crucial financial matter.

Additionally, the bill relies on an unstable funding source. Tying disaster preparedness to tourism revenue is risky and shortsighted. The tourism industry is highly susceptible to global crises, such as pandemics, economic downturns, and natural disasters themselves. Depending on this volatile source for essential funding is not a responsible long-term strategy.

Moreover, the bill creates an unfair burden. Natural disasters impact all residents and businesses, yet this proposal disproportionately places the financial responsibility on the tourism sector alone. Preparedness and resiliency should be a shared effort, not an industry-specific tax.

Finally, this bill threatens Hawaii's small businesses and overall economy. Hawaii already has the highest transient accommodations tax (TAT) in the nation. Further increasing this tax will make our state less competitive as a travel destination, reducing visitor numbers and ultimately harming local businesses that rely on tourism revenue. The financial strain will extend beyond the tourism sector, affecting workers, families, and residents statewide.

For these reasons, I urge you to oppose SB1396 SD3 HD1 and seek a more equitable, transparent, and stable funding approach to disaster preparedness.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/19/2025 11:06:56 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Josh Stanbro	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Tam, Chair Hashem, and members of the Committees,

I am in strong support of SB1396 SD3 HD1 and urge it's passage today. It is long past time that visitors help support and protect the natural resources that draw them to the islands and increasingly protect us as residents from the oncoming impacts of the climate crisis. Our forests give us water in a drying world. Our reefs protect our coastal properties from increasing storm events. For every dollar we spend on climate resilience, studies show we save six dollars on disaster costs and impacts in the future. Those are savings that will directly accrue to future legislatures and protect our budget going forward as unnatural disasters like the Maui fires continue to occur. We can't stop the impacts of the climate crisis but we can protect ourselves and at least mitigate their impact. SB1396 is a critical tool to do that and should be passed immediately to protect public safety and security, and ensure that the costs don't fall only on local residents. Mahalo nui for your time. Josh Stanbro (Former Chief Resilience Officer--City and County of Honolulu)

SB-1396-HD-1

Submitted on: 3/19/2025 11:50:17 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kate Reimann	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of SB1396 SD3 HD1

House Committee on Tourism

House Committee on Water and Land

Position: **Support**

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

My name is Kate Reimann and I am submitting written testimony in strong support of SB1396 SD3, which would help dedicate funding toward Hawai'i's natural and cultural resources that sustain the safety of our people, place, and economy. **I live on Oahu with my husband and two sons, and we have immersed ourselves in all that the islands have to offer – from birding on all of the islands to volunteering at Hanauma Bay helping teach visitors how to care for our reefs and identify marine species. Our sons are critically aware of just how precious – and endangered – many of our species are. This bill would help us feel like we're protecting what remains of Hawaii's unique and imperiled species for our kids and future generations to enjoy. We are all connected, and if we don't protect what remains, life as we know it here on the islands will change.**

My oldest son is a freshman at Le Jardin Academy and selected the Costa Rica "impact term" offered by the school this year because he wants to learn how a country like Costa Rica has maintained strict sustainability efforts and succeeded in both preservation/conservation and a successful tourism industry. He hopes to learn and then implement some of those same tactics here in Hawaii. This is an issue of great consequence to all who live here, and it is of especially great consequence to our family.

We are watching the consequences of underinvesting in our 'āina impact the people and places we love. Coral bleaching, fires, floods, and brown water pollution are harming the environment that sustains our visitor industry and economic livelihoods. This consistent underinvestment is costing our state tremendous financial resources when disasters strike, when instead we could be preventatively resourcing community-driven projects that build resilience and prevent damage when climate shocks come. It is estimated we need at least \$560 million each year to effectively care for our natural and cultural resources in Hawai'i. Enacting legislation like SB1396 could help fund this preventative work that can save our state millions of dollars each year, create jobs, and sustain our economic livelihoods.

The protection, management, restoration, and stewardship of Hawai'i is a shared kuleana and requires meaningful collaboration across sectors and knowledge systems. We know that community organizations are working on the frontlines of resilience, adaptation, and stewardship, and this measure will empower experts across Hawai'i to work together to implement effective resilience solutions and equitably allocate resources to leaders in the field. I support the inclusion of a community grant program to work in partnership with organizations, agencies, local governments, and Indigenous knowledge holders to meet the unique needs of Hawai'i. **We've volunteered with multiple organizations across Oahu, including Surfrider Foundation, Sustainable Coastlines, Friends of Hamakua Marsh. We've attended the rare birding trips at James Campbell when they're open to the public to teach us about the endangered endemic species. We know the power of local organizations and nonprofits and know this bill's passage will have enormous impact in shaping the future of the islands.**

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

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

Mahalo for the opportunity to testify,

Kate Reimann

SB-1396-HD-1

Submitted on: 3/19/2025 11:53:51 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jurgen M Lorenz	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Jurgen Lorenz, and I am a Hawaiian taxpayer who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a Molokai homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning a home /living in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be affected. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

SB-1396-HD-1

Submitted on: 3/19/2025 2:02:19 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Judith Cucco	Individual	Support	Written Testimony Only

Comments:

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

I am submitting written testimony in strong support of SB1396 SD3, which would help dedicate funding toward Hawai‘i’s natural and cultural resources that sustain the safety of our people, place, and economy. I live on Oahu and am a frequent ocean user. I have seen the detrimental effects of coral bleaching and overfishing.

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

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

Mahalo for the opportunity to testify,

Judith Cucco

SB-1396-HD-1

Submitted on: 3/19/2025 2:57:35 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

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

Comments:

Honorable Maui Councilmembers,

My name is Rebecca Clark, and I am a homeowner on Maui. I am writing to voice my serious concerns regarding any potential increase in the Transient Accommodations Tax (TAT) that may be considered at the state level and its potential impact on Maui residents.

As a homeowner who utilizes short-term rentals to supplement my income and manage the high cost of living on our island, I am deeply concerned about proposals for undefined TAT increases. Placing an unpredictable and potentially significant financial burden on homeowners like myself and the visitor industry is not a sustainable or equitable solution for funding essential services such as disaster preparedness.

Natural disasters are a reality for all of us on Maui and should be addressed through a comprehensive and transparent approach that involves contributions from all sectors of our economy. Relying on a single, fluctuating industry is inherently unstable and unfair.

Furthermore, increasing the TAT risks making Maui a less attractive destination for visitors, who have many other options. This could lead to a decrease in visitor numbers, negatively impacting local businesses and the many residents who rely on the tourism economy.

I urge you to consider the detrimental effects that a TAT increase would have on Maui homeowners and our overall economic well-being. I respectfully request that you advocate for fair and transparent funding solutions that do not disproportionately burden one sector of our community.

Thank you for your attention to this important matter.

Sincerely,

Rebecca Clark

SB-1396-HD-1

Submitted on: 3/19/2025 3:59:11 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Aaron Magee	Individual	Support	Written Testimony Only

Comments:

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

My name is Aaron Magee, and I am submitting testimony in strong support of SB1396, which establishes an environmental stewardship fee to provide much-needed funding for the protection and restoration of Hawai'i's natural resources. While I fully support this measure, I urge the committee to ensure that funds are distributed by establishing a community grant program through explicit language in the bill.

Underfunded conservation efforts are threatening the very resources that sustain both our communities and our visitor industry. Community organizations and nonprofit groups are already implementing proven, effective solutions for conservation, restoration, and education. They deserve direct access to the funds generated by this measure.

To ensure this bill truly supports the people doing the work, I urge the committee to:

1. Establish a dedicated community grant program within the fund to provide direct financial support to local nonprofit organizations, stewardship groups, and Native Hawaiian-led conservation efforts. These funds must be easily accessible, with a simple and transparent application process.
2. Guarantee transparency and accountability in fund distribution, ensuring that resources do not solely go to state agencies but are equitably shared with those who have long been doing this critical work.

A visitor fee is only as effective as its ability to directly support the communities who protect our land and waters every day. If we are asking visitors to contribute to the stewardship of Hawai'i, we must ensure those funds empower those already leading the way.

For these reasons, I respectfully urge the committee to pass SB1396 with amendments that create a community grant program and affirm Native Hawaiian claims to Public Land Trust revenue.

Mahalo for your time and consideration.

SB-1396-HD-1

Submitted on: 3/19/2025 4:09:29 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Erin Mills	Individual	Oppose	Written Testimony Only

Comments:

Honorable Adrian Tam, Chair Committee on Tourism, and

Honorable Mark J. Hashem Committee on Water & Land

Hawaii State Legislature

House of Representatives

415 S. Beretania Street, Rm. #423

March 20, 2025

OPPOSITION TO SB1396 SD3 HD1

Dear Chairs and Members,

My name is Erin Mills, and I am a Hawaii taxpayer and homeowner who relies on income from the short-term rental industry to supplement my housing costs and living expenses. I am submitting testimony in strong opposition to SB1396 SD3 HD1 because it proposes an undefined tax increase, lacks fiscal transparency, and places a disproportionate financial burden on a single, unpredictable sector of our economy rather than across the entire state, which is categorically unfair, and risks the sustainability of continuing efforts to address this critical issue.

One of the most concerning aspects of this bill is that it does not specify an exact percentage increase in the Transient Accommodations Tax (TAT). Instead, it allows lawmakers to decide the amount after public testimony has closed.

- As a taxpayer, I deserve to know exactly how much more I will be expected to pay before this bill is passed.
- The Legislature should not approve a bill without providing clear, upfront numbers. This lack of transparency further creates distrust and makes it impossible for those affected to budget or plan accordingly or even testify about specific harm.

I am not a large hotel or a corporate vacation rental business—I am a homeowner trying to make ends meet. The income helps me cover my own housing costs and the rising cost of owning a home in Hawaii.

- If the TAT increases again, visitor demand will decrease, directly affecting my ability to earn the supplemental income that keeps me afloat.
- Many Hawaii residents use mid- and short-term rentals as a way to avoid financial ruin, especially with the high cost of utilities, groceries, and medical care in our state.
- This bill does not consider how small local operators like me will be impacted. While large hotels can absorb additional costs, we cannot.

Natural Disaster Preparedness Should Be a Shared Responsibility

Wildfires, hurricanes, tsunamis, and volcanic eruptions are not caused by tourism—they are a reality of living in the islands and in today's world. Funding for disaster preparedness should be:

- Planned responsibly within the state budget rather than tied to a volatile industry.
- A shared responsibility across all residents and businesses, rather than unfairly burdening one sector.
- Funded through stable revenue sources, not a tax that fluctuates with visitor numbers.

Raising the TAT Again Will Make Hawaii Less Competitive

Hawaii already has one of the highest lodging taxes in the nation.

- Raising it even higher makes Hawaii less attractive to travelers, who will choose more affordable destinations instead.
- Fewer visitors mean less income for local businesses, restaurants, and service workers who depend on the tourism economy.
- The state cannot afford to drive away visitors and undermine an entire sector of its economy just to create an unreliable funding source for disaster preparedness.

For all these reasons, I strongly urge this committee to reject SB1396 SD3 HD1.

As someone who relies on this income to survive, please consider the real financial impact this bill will have on everyday people like me.

Thank you for your time and consideration.

Erin Mills

Maui

SB-1396-HD-1

Submitted on: 3/19/2025 4:19:49 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
cj paet	Individual	Oppose	Written Testimony Only

Comments:

this bill:

Lacks Transparency – It does not specify a tax rate increase, meaning the final number could be set after public testimony closes and behind closed doors.

Relies on an Unstable Funding Source – Tying disaster preparedness and climate resiliency to tourism revenue is risky and shortsighted, given the industry's vulnerability to global crises.

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

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

SB-1396-HD-1

Submitted on: 3/19/2025 5:53:12 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
James McCay	Individual	Support	Written Testimony Only

Comments:

Per compelling work of the recent study (Dr Kittinger), please pass this Bill.

Mahalo,

James

SB-1396-HD-1

Submitted on: 3/19/2025 6:04:10 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Tom Wallace	Individual	Support	Written Testimony Only

Comments:

Thank you for reading my comment. This is in support of the revised Senate bill 1396

It is a fair bill that will help further our cause of environmental protection

SB-1396-HD-1

Submitted on: 3/19/2025 6:08:16 PM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Deborah Wallace	Individual	Support	Written Testimony Only

Comments:

it is crucial that we pass this bill. it is important that we have an environmental stewardship fee for tourists who get to enjoy our beautiful island and all that has to offer. We are being faced with climate change and over tourism, and we must do everything we can to care for our islands. Thank you for your consideration

Deborah Wallace

SB-1396-HD-1

Submitted on: 3/20/2025 7:33:27 AM

Testimony for TOU on 3/20/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Tim Herzog	Individual	Oppose	Written Testimony Only

Comments:

I own a small business on Maui and the increase in taxes in recent years in addition to the anti tourist and anti STR rhetoric has been very damaging to our economy. After all that Maui has been through, adding additional tax burdens is just another thing that will hurt us.