

**HB 1744**



LINDA LINGLE  
Governor

LLOYD I. UNEBASAMI  
Interim President and  
Chief Executive Officer

# Hawai'i Tourism Authority

Hawai'i Convention Center, 1801 Kalākaua Avenue, Honolulu, Hawai'i 96815  
Website: [www.hawaii-tourism-authority.org](http://www.hawaii-tourism-authority.org)

Telephone: (808) 973-2255  
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Testimony of  
**Lloyd I. Unebasami**  
Interim President and Chief Executive Officer  
Hawai'i Tourism Authority  
on  
**H.B. 1744, H.D. 1**  
**Relating to Transient Accommodations Tax**

Senate Committee on Ways and Means  
Friday, March 27, 2009  
9:30 a.m.  
Conference Room 211

The Hawai'i Tourism Authority (HTA) opposes H.B. 1744, H.D. 1, which suspends for six years the distribution of transient accommodations tax (TAT) revenues to the counties.

In 1990, the Legislature provided for the sharing of TAT revenues by Act 185, Session Laws of Hawai'i 1990. The Legislature noted in enacting the legislation that "...many of the burdens imposed by tourism fall on the counties." The Legislature also noted, in providing for the allocation of TAT revenues, that increased pressures of the visitor industry meant greater demands on county facilities and services.

The impact of visitor industry on county facilities and services are greater now than in 1990, when the allocation of revenues were made. Any reduction in TAT funding for the counties will seriously impact the counties' ability to provide services and facilities to our residents as well as visitors.

We oppose H.B. 1744 and urge you to hold this bill.

Thank you for the opportunity to testify on this measure.

# HAWAII COUNCIL OF MAYORS

Testimony of the

**Hawaii Council of Mayors**  
Bernard P. Carvalho, Jr., Mayor of Kauai  
Mufi Hannemann, Mayor of Honolulu  
Billy Kenoi, Mayor of Hawaii  
Charmaine Tavares, Mayor of Maui

Before a Hearing of the  
**Senate Committee on Ways and Means**

March 27, 2009

## **House Bill 1744, H.D. 1, Relating to Transient Accommodations Tax**

The Hawaii Council of Mayors strongly opposes House Bill 1744, H.D. 1, which proposes a six-year suspension of transient accommodations tax revenue-sharing with the county governments.

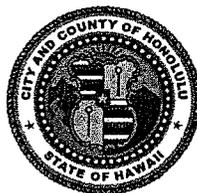
The hotel room tax is a significant source of revenue for all the county governments. The counties provide the critical security, transportation, water and sewer infrastructure, parks maintenance, and other services that support the visitor industry—and this revenue-sharing was established in recognition of the importance of the counties to the prosperity of Hawaii's leading industry, and to replace the grant-in-aid program that had preceded it for many years.

We recognize the Legislature's fiscal challenges, which mirror those faced by the counties. However, the suspension of this revenue source could have a deleterious effect on the counties' ability to provide those very services that sustain our travel industry and the quality of life of residents and visitors alike. For these reasons, among others, we oppose House Bill 1744, H.D. 1.

Mahalo.



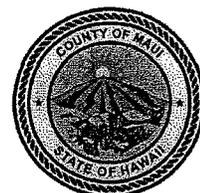
**Mayor Billy Kenoi**  
County of Hawaii  
25 Aupuni Street  
Hilo, Hawaii 96720



**Mayor Mufi Hannemann**  
City and County of Honolulu  
530 South King Street  
Honolulu, Hawaii 96813



**Mayor Bernard Carvalho, Jr.**  
County of Kauai  
444 Rice Street  
Lihue, Hawaii 96766



**Mayor Charmaine Tavares**  
County of Maui  
200 South High Street, 9th Floor  
Wailuku, Hawaii 96793



# Hawaii State Association of Counties

Counties of Kaua'i, Maui, Hawai'i and City and County of Honolulu



March 25, 2009

Committee on Ways & Means  
The Senate  
State of Hawaii

Testimony of  
**Nestor Garcia, President, Hawaii State Association of Counties**  
House Bill 1744, House Draft 1  
Regular Session 2009

Chair Kim and members of the Committee:

Thank you for this opportunity to testify in opposition to HB1744, HD1.

In the current climate of economic austerity and fiscal uncertainty, municipalities across the country are seeking an array of ways to help them weather this storm by sustaining or increasing revenue. The counties of Hawaii are no different. At this critical juncture, the counties of Hawaii can ill afford to lose any further revenue without seriously jeopardizing basic services such as police, fire, emergency, and sewer and solid waste disposal.

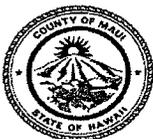
We understand and appreciate the fact that the State is in a similar position. The counties of Hawaii are doing everything possible to cut costs, hold the line on new spending, and attempting to balance budgets in anticipation that there will already be a downturn in Transient Accommodation Tax revenue.

To now propose to withhold all TAT revenue for a six-year period would unfairly place the counties in a position to raise property taxes and fees on an already overburdened citizenry or reduce basic services in public health and safety.

Please do not allow this potentially disastrous measure to advance. Mahalo for this opportunity to submit testimony.

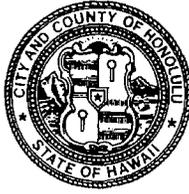
Aloha,

COUNCILMEMBER NESTOR GARCIA  
President, Hawaii State Association of Counties  
Vice Chair, Honolulu City Council



DEPARTMENT OF BUDGET AND FISCAL SERVICES  
**CITY AND COUNTY OF HONOLULU**  
530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813  
PHONE: (808) 768-3900 • FAX: (808) 768-3179 • INTERNET: www.honolulu.gov

MUFI HANNEMANN  
MAYOR



RIX MAURER III  
ACTING DIRECTOR

MARK K. OTO  
DEPUTY DIRECTOR

March 25, 2009

The Honorable Donna Mercado Kim, Chair  
and Members of the Committee on Ways and Means  
State Senate  
State Capitol, Room 210  
Honolulu, Hawaii 96813

Subject: HB 1744, HD1 – Relating to the Transient Accommodations Tax

Dear Chair Kim and Members:

The City & County of Honolulu opposes HB 1744, HD1, that proposes to suspend the distribution of Transient Accommodations Tax (TAT) revenues to the counties for six years effective July 1, 2009, to June 30, 2015.

It is anticipated that the City & County of Honolulu will receive \$48.4 million in TAT revenue in fiscal year 2009 alone. Over the course of the proposed six-year suspension, we estimate that the reduction in revenue to the City and County of Honolulu would be in excess of \$300 million.

These funds are needed to provide a significant portion of visitor-related services, many of which are public safety/first responder related including police, fire and lifeguard support. In addition, the City and County of Honolulu provides beach, zoo and parks maintenance; road repair and transportation services; and, of course, solid waste and wastewater services in Waikiki, Hanauma Bay, and other locations our visitors frequent. The diversion of the TAT funds would create a budgetary gap that would require us to rethink the level of services we provide our visitors and residents alike.

Given our economy's reliance upon the tourism industry for both General Excise Tax and local employment, we believe that tourism is something that both the State and the counties should invest in. We believe that this can best be done at the county level

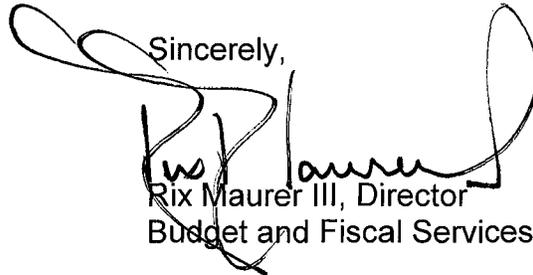
The Honorable Donna Mercado Kim, Chair  
and Members of the Committee on Ways and Means  
March 25, 2009  
Page 2

where the need is better understood as a result of first hand interaction with our visitors. In fact, the 1990 Legislature recognized this when they first afforded the counties a portion of the TAT, in lieu of the annual grants-in-aid to the counties, to address tourism-related county expenditures. As such, we stand with our fellow counties and believe that leaving the distribution of the TAT intact, to invest in tourism locally, is the best way to ensure that these funds are best utilized to revive tourism.

While we sympathize with the State's budget challenges, we believe that the TAT should remain as originally envisioned and oppose HB 1744, HD1.

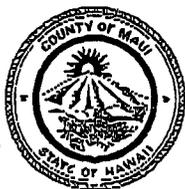
Please feel free to contact me at 768-3901, if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Rix Maurer III", is written over the typed name and title. The signature is fluid and cursive, with a large loop at the end.

Rix Maurer III, Director  
Budget and Fiscal Services

CHARMAINE TAVARES  
MAYOR



**OFFICE OF THE MAYOR**

County of Maui

200 South High Street  
Wailuku, Hawaii 96793-2155  
Telephone (808) 270-7855  
Fax (808) 270-7870  
e-mail: [mayors.office@mauicounty.gov](mailto:mayors.office@mauicounty.gov)

March 27, 2009

Honorable Donna Mercado Kim, Chair  
and Members, Senate Committee on Ways & Means  
Hawaii State Senate  
Hawaii State Capitol, Room 211  
Honolulu, Hawaii 96813

**RE: HB 1744, HD 1- RELATING TO THE TRANSIENT ACCOMMODATIONS TAX**

Dear Senator Kim and Members:

Thank you for the opportunity to testify in opposition to House Bill 1744, House Draft 1, which would suspend for six years the distribution of transient accommodations tax (TAT) revenues to the counties.

Revenue from the TAT is a vital source of funding for all counties in the State of Hawaii. The County of Maui relies on its portion of TAT revenue to assist with funding critical services, facilities, programs and government operations to citizens, residents, and visitors every year. These revenues provide for essential public safety services, recreational programs, parks maintenance, facility maintenance, and road repairs. All of these types of programs are for the benefit of residents and visitors and, in that regards, help ensure that Hawaii is a safe and vibrant place to live or visit – regardless of whether the services are State or County services.

If the County of Maui were faced with a reduction or elimination of its share of the TAT revenues, the County would be forced to consider significant cuts in programs, including state programs, such as Maui Community College courses, miconia and invasive species control, and watershed protection, which we currently assist in funding.

The County of Maui strongly suggests that the Legislature not amend any portion of the TAT statute which would affect the County's Fiscal Year 2010 budget. The Maui County Council is already deliberating the Fiscal Year 2010 budget with a decreased amount of TAT revenue in recognition of a slow tourism industry. The County has done its part to balance its own budget given its revenue picture. To deny counties its share of TAT revenue in order to benefit the budget of the State could very well hurt the state residents in those counties.

The County of Maui urges your opposition to House Bill 1744, House Draft 1.

Sincerely,

A handwritten signature in black ink, appearing to read "Charmaine Tavares", is written over a horizontal line. The signature is fluid and cursive.

CHARMAINE TAVARES  
Mayor, County of Maui

Council Chair  
Danny A. Mateo

Vice-Chair  
Michael J. Molina

Council Members  
Gladys C. Baisa  
Jo Anne Johnson  
Sol P. Kaho'ohalahala  
Bill Kauakea Medeiros  
Wayne K. Nishiki  
Joseph Pontanilla  
Michael P. Victorino



Director of Council Services  
Ken Fukuoka

**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.maui-county.gov/council](http://www.maui-county.gov/council)

March 26, 2009

TO: Honorable Donna Mercado Kim, Chair  
Senate Committee on Ways and Means

FROM: Danny A. Mateo  
Council Chair

SUBJECT: **HEARING OF MARCH 27, 2009; TESTIMONY IN OPPOSITION TO HB 1744,  
HDI, RELATING TO THE TRANSIENT ACCOMMODATIONS TAX**

Thank you for the opportunity to testify in opposition to this important measure. The purpose of this measure is to suspend the distribution of transient accommodations tax (TAT) revenue to the counties for six years, from July 1, 2009 to June 30, 2015.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I oppose this measure for the following reasons:

1. This measure would inaptly eliminate a major source of funding to the counties at a time when they are challenged by the economic downturn and the corresponding loss of revenue from primary sources. Counties rely on TAT revenue to provide services for both residents and visitors. Without these funds, Maui County would not be able to maintain its visitor marketing efforts, improve its heavily used parks and roadways, or ensure that the needs of emergency-response teams are met.
2. By allocating a portion of TAT revenue to the counties, the Legislature has encouraged the State and county governments to share the responsibility for focusing their resources, cooperatively, on each community's most critical needs. Suspending the distribution of an estimated \$18 million to \$20 million in annual TAT revenue would end this partnership and compromise Maui County's ability to continue supporting programs that are primarily the State's responsibility.
3. As is true for all levels of government, the counties are in dire need of funds for basic health and safety programs – the core functions of government. Cutbacks will hurt, regardless of which level of government is involved. Balancing the State's budget at the expense of services provided by counties to our shared constituencies would be unwise.
4. The TAT broadens the counties' revenue base, so that the burden of paying for county government does not fall only on owners of real property.

For the foregoing reasons, I oppose this measure.

Council Chair  
Danny A. Mateo

Vice-Chair  
Michael J. Molina

Council Members  
Gladys C. Baisa  
Jo Anne Johnson  
Sol P. Kaho'ohalahala  
Bill Kauakea Medeiros  
Wayne K. Nishiki  
Joseph Pontanilla  
Michael P. Victorino



Director of Council Services  
Ken Fukuoka

**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.mauicounty.gov/council](http://www.mauicounty.gov/council)

March 25, 2009

TO: Honorable Donna Mercado Kim, Chair  
Senate Committee on Ways and Means

FROM: Councilmember Joseph Pontanilla, Treasurer  
Hawaii State Association of Counties

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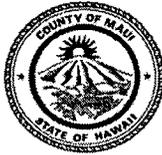
SUBJECT: **HEARING OF MARCH 27, 2009; TESTIMONY IN OPPOSITION TO HB 1744,  
HD1, RELATING TO THE TRANSIENT ACCOMMODATIONS TAX**

Thank you for the opportunity to testify in opposition to this important measure. The purpose of this measure is to suspend the distribution of transient accommodations tax revenues to the counties for six years, from July 1, 2009 to June 30, 2015.

I am aware that the President of the Hawaii State Association of Counties (HSAC), on behalf of HSAC, and the Maui County Council Chair have submitted testimony in opposition to this measure. As both a Council member and as Maui County's representative to HSAC, I concur with the testimony submitted by the HSAC President and the Maui County Council Chair, and urge you to oppose this measure.

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CHARMAINE TAVARES  
Mayor



KALBERT K. YOUNG  
Director of Finance

AGNES M. HAYASHI  
Deputy Director of Finance

COUNTY OF MAUI  
DEPARTMENT OF FINANCE  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793

March 27, 2009

Honorable Donna Mercado Kim, Chair  
and Members, Senate Committee on Ways & Means  
Hawaii State Senate  
Hawaii State Capitol, Room 211  
Honolulu, Hawaii 96813

**RE: HB 1744 HD1- RELATING TO THE TRANSIENT ACCOMMODATIONS TAX**

Dear Senator Kim and Committee Members:

This testimony is submitted in opposition to the intent of HB 1744 HD1 which proposes to suspend distributions of the transient accommodations tax (TAT) to the counties for up to six years.

Revenue from the TAT is a vital source of funding for all counties in the State of Hawaii. The County of Maui relies on its portion of TAT revenue to assist with funding critical services, facilities, programs and government operations to citizens, residents, and visitors every year. Each year, the County of Maui anticipates between \$19 million to \$20 million in TAT revenue. These revenues provide for essential public services such as police and fire services, recreational programs, parks maintenance, facility maintenance, and road repairs. All of these types of programs are for the benefit of residents and visitors and, in that regard, helps to ensure that Hawaii is a safe and vibrant place to live or visit – regardless of whether the services are State or County services.

Elimination of TAT to the County of Maui will result in reduction of services for residents and visitors. Without this source of revenue, the County of Maui will be forced to reduce services and/or raise taxes for residents. You should also know that the County of Maui contributes funds to many programs which are the responsibility of the State. The County has chosen to assist the State by funding these programs, such as educational programs at Maui Community College, watershed protection, and invasive species control, in order to ensure that they are provided within our County. While I recognize that the current state of the economy is challenging to the State budget, please be aware that the County of Maui is also faced with the difficulty of balancing its budget with declining revenue projections. The County of Maui relies on every possible funding source to satisfy its fiscal year budget requirements – and that includes TAT.

The County of Maui strongly suggests that the legislature **NOT** amend any portion of the TAT statute, which would affect the county's FY10 budget. The Maui County Council is already deliberating the FY10 budget with a decreased amount of TAT revenue in recognition of a slow tourism industry. The County has done its part to balance its own budget given its revenue picture. To deny counties its share of TAT revenue in order to benefit the budget of the State fails to recognize that every level of government is struggling during these difficult times and further compromises the ability of the counties to provide its services to residents, visitors and taxpayers.

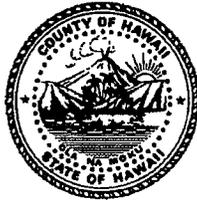
**The County of Maui urges your opposition to HB 1744 HD1.**

Sincerely,

A handwritten signature in black ink, appearing to read "K. Young", is written over the printed name.

KALBERT K. YOUNG  
Director of Finance

William P. Kenoi  
Mayor



William T. Takaba  
Managing Director

Walter K.M. Lau  
Deputy Managing Director

## County of Hawai'i

891 Ululani Street • Hilo, Hawai'i 96720-3982 • (808) 961-8211 • Fax (808) 961-6553  
KONA: 75-5706 Kuakini Highway, Suite 103 • Kailua-Kona, Hawai'i 96740  
(808) 329-5226 • Fax (808) 326-5663

March 27, 2009

The Honorable Senator Donna Mercado Kim, Chair  
And Members of the Senate Committee on Ways and Means,  
Hawai'i State Capitol  
415 South Beretania Street  
Honolulu, Hawai'i 96813

**RE: Testimony in Opposition to House Bill No. 1744, House Draft 1**

Honorable Chair Kim and Members of the Committee:

Hawaii County strongly opposes HB 1744 HD 1, which seeks to suspend the distribution of transient accommodations tax (TAT) to the counties. The TAT is the second largest source of revenue for the County of Hawaii, and our \$18 million share of the TAT revenue is critical to providing for the health, safety, and welfare of our community.

The TAT supports the essential public services that the County of Hawaii provides to our residents including police, fire, parks and recreation, transit, highways, and solid waste management. Any loss of funding for these critical and essential services threatens the public health, safety and welfare of our community.

The state and county sharing of the hotel room tax collections was established in recognition of the counties' contributions to the well-being and prosperity of Hawaii's visitor industry. This is a partnership that benefits both our residents and visitors alike. The suspension of the TAT to the counties threatens this collaborative and cooperative partnership and jeopardizes services that the counties provide.

We have worked extremely hard to reduce spending by imposing a five percent budget cut and imposing a hiring freeze on non-essential county personnel. In this next fiscal year, we are facing a \$31.8 million dollar shortfall that we are addressing through cuts in programs and services and an additional ten percent reduction in each county department. An additional \$18 million dollar loss would severely hamper our ability to provide critically needed services in our community.

Thank you for your respectful consideration of our position on HB 1744.

Sincerely,

  
Billy Kenoi  
MAYOR

J YOSHIMOTO  
Chair & Presiding Officer  
Council District 3



Phone: (808) 961-8272  
FAX: (808) 961-8912  
Email: jyoshimoto@co.hawaii.hi.us

HAWAI'I COUNTY COUNCIL  
COUNTY OF HAWAI'I

TESTIMONY OF COUNCIL CHAIR J YOSHIMOTO,  
HAWAI'I COUNTY COUNCIL  
TO THE SENATE JUDICIARY WAYS AND MEANS COMMITTEE  
ON HOUSE BILL NO. 1744 HD1  
RELATING TO THE TRANSIENT ACCOMMODATIONS TAX

March 27, 2009 9:30 a.m.

Chair Donna Mercado Kim, Vice-Chair Tsutsui, and members of the Senate Ways and Means Committee, thank you for the opportunity to testify in opposition to House Bill No. 1744 HD 1.

The purpose of House Bill No. 1744 is to suspend for six years effective July 1, 2009 to June 30, 2015 the distribution of Transient Accommodations Tax (TAT) revenues to the counties.

To be blunt, while we understand the difficulty that the State is experiencing during this current economic down turn, the complete elimination of TAT revenues will have dire consequences on our operating budget and result in the need to curtail and possibly eliminate services that will negatively impact the safety, public health and welfare of our community. We are already facing a budget shortfall of over \$30 million; elimination of this money would be catastrophic.

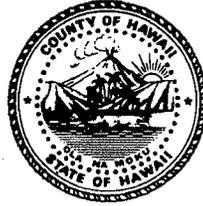
TAT revenues provided to the County support essential public services such as police, fire rescue and lifeguards that benefit residents and tourists alike. The Island of Hawai'i is an important reason why many people visit our islands; for example, the Hawai'i Volcanoes National Park is the single largest visitor attraction in the State. As we share in the costs associated with those visitors, it is only appropriate that we receive some reimbursement via the TAT.

Thank you for the opportunity to present my comments in opposition to HB 1744 HD 1.

*Hawai'i County is an Equal Opportunity Provider and Employer*

Mailing Address: (Former County Building) 25 Aupuni Street, Hilo, Hawai'i 96720  
Business Address: Ben Franklin Building, 2<sup>nd</sup> Floor, 333 Kilauea Avenue, Hilo, Hawai'i 96720

**BRENDA J. FORD**  
Council Member  
District 7 - Central Kona



Phone: (808) 326 -5684  
Fax: (808) 329- 4786  
E-Mail: [bford@co.hawaii.hi.us](mailto:bford@co.hawaii.hi.us)

**HAWAII COUNTY COUNCIL**  
County of Hawai'i  
Kailua Trade Center  
75-5706 Hanama Place, Suite 109  
Kailua-Kona, Hawai'i 96740

March 25, 2009

Hawai'i State Senate  
Honolulu, HI  
Ways & Means Committee

Re: Testimony in opposition to HB 1744 TAT Suspension for 6 Years

Aloha Members of the Senate Ways and Means Committee,

The State Senate Ways and Means Committee will be hearing testimony on HB1744 this Friday, March 27th. HB1744 would suspend the County's share of the Transient Accommodation Tax (TAT) for a period of six years. Finance estimates put this at an \$18 million loss to Hawai'i County for the upcoming fiscal year. This would be on top of the already projected over \$31 million shortfall for Hawai'i County.

I oppose HB 1744 and the suspension of the Transient Accommodation Tax for any period of time. Suspending the TAT will cause an additional 5% loss in operating budget and will probably require **laying off employees who will then collect unemployment payments from the State of Hawai'i** instead of paying taxes to the State of Hawai'i. There is a sequence of catastrophic events that will occur:

- Loss of revenues to counties from TAT suspension.
- TAT funds placed in the coffers of the Department of Labor and Industrial Relations - Unemployment Insurance Division to be paid as unemployment payments.
- County suspends services not associated with public safety.
- Layoffs of county employees begins.
- "Bumping" starts within bargaining units, the newest hires and lowest paid employees are most likely to be laid off. These employees are the most financially vulnerable and will be laid off after the "bumping".
- The State will bill the already underfunded counties for unemployment payments further reducing the counties operational funds.
- The Counties will be required to pay cash in-lieu of vacation time not taken—an additional loss of operational money—for employees laid off.
- The Counties will be required to pay cash in-lieu of compensation time for time worked but not paid—an additional loss of operational money—for employees laid off.

- Nonprofit social service agencies are already feeling the effects of lower donations and reduced or eliminated state or county funding. Those agencies will immediately become besieged with the need to provide more social services that they cannot fund.

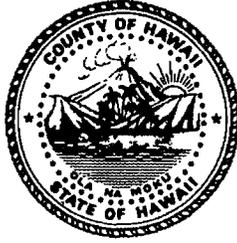
Each neighbor county is in dire financial straits as is the state. Taking from the counties is not appropriate as it will continue to erode the base of state tax revenues, create more unemployment, and increase the need for more social services. Please do not suspend the TAT and create greater problems for the counties as well as the State.

Mahalo.

*Brenda J. Ford*

**KELLY GREENWELL**

*Council Member  
District 8 - North Kona*



Phone: (808) 327-3642

Fax: (808) 329-4786

Email: [kgreenwell@co.hawaii.hi.us](mailto:kgreenwell@co.hawaii.hi.us)

*Hawai'i County Council  
County of Hawai'i*

*Kailua Trade Center  
75-5706 Hanama Place, Suite 109  
Kailua-Kona, Hawai'i 96740*

TESTIMONY OF COUNCIL MEMBER KELLY GREENWELL,  
HAWAI'I COUNTY COUNCIL

TO SENATE WAYS AND MEANS COMMITTEE  
PUBLIC HEARING ON HOUSE BILL NO. 1744  
FRIDAY MARCH 27, 2009, 9:30AM  
RELATING TO THE TRANSIENT ACCOMMODATION TAX

Chairperson Kim, Vice Chairperson Tsutsui, and members of the Senate Ways and Means Committee, thank you for the opportunity to testify in opposition to House Bill No. 1744.

The purpose of House Bill No. 1744 is to suspend for six years effective July 1, 2009 to June 30, 2015 the distribution of Transient Accommodations Tax (TAT) revenues to the counties.

The complete elimination of TAT revenues will have catastrophic consequences on our operating budget and result in the need to curtail and possibly eliminate services that will negatively impact the public health, safety and welfare of our community. Our county is already facing an approximate budget shortfall of \$31 million and elimination of this approximately \$18 million in revenue would seriously burden our island's residents by causing tax increases or reductions in service to the public.

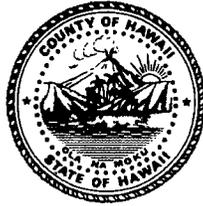
TAT revenues provided to the County support essential public services such as police, fire rescue and lifeguards that benefit residents and tourists alike. As we share in the costs associated with those visitors, it is only appropriate that we receive some reimbursement via the TAT.

Thank you for the opportunity to present my comments in opposition to HB 1744.

Very truly yours,

Kelly Greenwell,  
Councilmember, District 8  
KG/dh

*DONALD IKEDA*  
*Council Member*  
*District 2 South Hilo*



Phone No.: (808) 961-8261  
Fax No.: (808) 961-8912  
E-mail: [diked@co.hawaii.hi.us](mailto:diked@co.hawaii.hi.us)

## ***HAWAI'I COUNTY COUNCIL***

*County of Hawai'i*  
*Hawai'i County Building*  
*25 Aupuni Street*  
*Hilo, Hawai'i 96720*

TESTIMONY OF COUNCIL MEMBER DONALD IKEDA  
HAWAI'I COUNTY COUNCIL  
TO SENATE WAYS AND MEANS COMMITTEE  
PUBLIC HEARING ON HOUSE BILL NO. 1744  
FRIDAY MARCH 27, 2009, 9:30AM  
RELATING TO THE TRANSIENT ACCOMMODATION TAX

Aloha Chairperson Kim, Vice Chairperson Tsutsui, and members of the Senate Ways and Means Committee:

Thank you for allowing me to provide testimony in **strong opposition to HB 1744**.

**I oppose HB 1744** which would suspend for six years effective July 1, 2009 to June 30, 2015 the distribution of Transient Accommodations Tax (TAT) revenues to the counties.

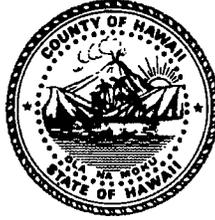
The TAT is an important source of revenue for our County, providing funding for public facilities and services, which are used by residents and visitors alike. County revenues generated from real property taxes and other sources are not sufficient to cover our operating budget. Hawai'i County is facing a budget shortfall of upwards of \$30 million dollars. The elimination of TAT revenues (estimated at approximately \$18 million) will have a disastrous effect on our operating budget, ultimately resulting in elimination of critical services and programs.

TAT revenues provided to the County support essential public services such as police, fire rescue and lifeguards. Elimination of TAT revenues will have far-reaching negative consequences, as these essential services benefit tourists and residents alike. The natural beauty and scenic wonders (e.g. Hawai'i Volcanoes National Park) of our island, as well as our beautiful resorts and golf courses are some of this State's biggest attractions. Our county shares the burden of costs associated with our visitor industry, it is only right that we receive revenues from the TAT.

Thank you for the opportunity to present my comments in opposition to HB 1744.

**EMILY NAEOLE**

*Council Member  
Council District 5*



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*Hawai'i County Council  
County of Hawai'i*

March 25, 2009

TESTIMONY OF COUNCILMEMBER EMILY NAEOLE  
HAWAII COUNTY COUNCIL  
TO SENATE WAYS AND MEANS COMMITTEE  
PUBLIC HEARING ON HOUSE BILL No. 1744  
FRIDAY MARCH 27, 2009, 9:30 AM  
RELATING TO THE TRANSIENT ACCOMMODATION TAX

Aloha Chairperson Kim, Vice Chairperson Tsutsui, and members of the Senate Ways and Means Committee:

House Bill 1744 if adopted would suspend for six years the distribution of transient accommodations tax revenues to the counties. In order to balance the State budget they now will short our Hawaii County to save the State. I believe that the monies that have been coming should continue to come. There is no way with the cuts that we are facing can we find another source to fill the need. The fact that the Governor says, "I remain committed to balancing the budget without raising taxes or laying off employees shows her unwillingness to help ease the stress of the Counties she is sworn to represent. She says raising taxes will weaken the economy. Yet suspending the distribution of this tax will weaken the Counties and in turn weaken local economies. Where is the wisdom in this bill? Then there is Senate Bill 1111 which increases the rate of the transient accommodations tax for more money the State will not have to share. So what is happening is very clear and I ask that you vote against House Bill 1744.

Lau Lima

Emily I Naeole

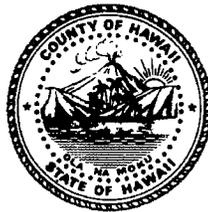
Council Member

5<sup>th</sup> District

EIN/rh

**DENNIS "FRESH" ONISHI**

*Council Member  
Council District 4*



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County of Hawai'i*

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*Ben Franklin Building*

*Hilo, Hawai'i 96720*

TESTIMONY OF

**HAWAI'I COUNTY COUNCIL MEMBER DENNIS "FRESH" ONISHI**

**HAWAI'I STATE ASSOCIATION OF COUNTIES SECRETARY**

ON HOUSE BILL NO. 1744

RELATING TO THE TRANSIENT ACCOMMODATIONS TAX

March 25, 2009

Chair Kim, Vice-Chair Tsutsui and members of the Senate Ways and Means Committee:

Thank you for the opportunity to submit testimony in opposition of House Bill No. 1744. As a member of the Hawai'i County Council and as the Secretary of the Hawai'i Association of Counties (HSAC), I strongly oppose this Bill, which would suspend for six years, effective July 01, 2009 through June 30, 2015, the distribution of the Transient Accommodations Tax (TAT) to the Counties.

As the State is faced with severe budget shortfalls, so are the Counties. Our primary source of revenue, real property taxes, will be significantly reduced in the coming fiscal year. We are making substantial cuts throughout the budget, taking reserve funds, un-funding vacant positions and other actions to balance out general fund budget.

We depend heavily on the TAT as an important source of revenue in balancing our limited operating budget. To eliminate the TAT altogether will place the County in a dismal position. Important programs and services may have to be cut back or even eliminated, which will negatively affect our communities. Remember, this money helps to support essential services such as police, fire rescue, lifeguards and solid waste management.

In addition, the Island of Hawai'i is a major draw for tourists to the state. For example, the Hawai'i Volcanoes National Park is the number one visitor attraction in the state. Hawai'i County incurs enormous costs in providing services for the visitors to our island, both directly in the form of services and indirectly in the form of support for cultural events and programs. Thus, I strongly urge you to oppose HB 1744.

Once again I thank you for the opportunity to present testimony in opposition of HB 1744.

**DOMINIC YAGONG**

*Council Member  
Council District 1*



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*Hawai'i County Council  
County of Hawai'i*

March 25, 2009

TESTIMONY OF COUNCILMEMBER DOMINIC YAGONG  
HAWAII COUNTY COUNCIL  
TO SENATE WAYS AND MEANS COMMITTEE  
PUBLIC HEARING ON HOUSE BILL NO. 1744  
FRIDAY MARCH 27, 2009, 9:30AM  
RELATING TO THE TRANSIENT ACCOMMODATION TAX

Aloha Chairperson Kim, Vice Chairperson Tsutsui, and members of the Senate Ways and Means Committee:

House Bill 1744, if adopted, will have catastrophic consequences for the County of Hawai'i. Our finance department is projecting a \$31.8 million shortfall in revenue for our upcoming 2009-2010 budget cycle.

This bill will add approximately \$18 million to our shortfall forcing us to cut \$49.8 million from our operating budget. To accomplish this tax rates will have to be increased and government employees will have to be laid off causing a reduction in service to our citizens. Simply put, the County does not have any other avenue for absorbing an \$18 million cut. Please keep in mind the entire budget for the County of Hawai'i will be approximately \$370 million and this legislation would amount to an additional 5% cut to our operating funds.

If the County of Hawai'i is forced to resort to laying off employees it will create widespread panic in our county and cause incalculable damage to an already fragile and struggling economy.

I appreciate that the budget for the State of Hawai'i is in a similar situation, however, I believe this legislation will have unintended consequences for the State. If we are forced to cut our workforce, spending will go down as more uncertainty will force our residents to tighten the belts and spend even less than they are currently. This will cause a dramatic decrease in General Excise Tax revenue perpetuating the downward spiral of our economy and revenue.

I urge you in the strongest terms possible to oppose HB 1744. As chairman of the Hawai'i County Council Committee on Finance I completely understand the difficult situation you are in at this time. Please look to other areas to adjust State income levels and reduce State spending that will not have such an immediate and drastic impact on the County of Hawai'i. Thank you for your consideration in this matter.

Warmest Aloha,

Dominic Yagong  
Councilmember, District 1  
DY/so

*Serving the Interests of the People of Our Island  
Hawai'i County is an Equal Opportunity Provider and Employer*

COUNTY COUNCIL  
BILL "KAIPO" ASING, CHAIR  
JAY FURFARO, VICE CHAIR  
TIM BYNUM  
DICKIE CHANG  
DARYL W. KANESHIRO  
LANI T. KAWAHARA  
DEREK S. K. KAWAKAMI



4396 RICE STREET, ROOM 206  
LIHU'E, KAUA'I, HAWAII 96766-1371  
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OFFICE OF THE COUNTY CLERK  
Council Services Division  
Elections Division  
Records Division  
PETER A. NAKAMURA, County Clerk  
ERNESTO G. PASION, Deputy County Clerk  
Telephone: (808) 241-6371  
Facsimile: (808) 241-6349

March 25, 2009

The Honorable Donna Mercado Kim, Chair  
& Members of the Senate Committee on Ways and Means  
Hawaii State Capitol, Conference Room 211  
415 South Beretania Street  
Honolulu, HI 96813

Dear Chair Mercado Kim and Members of the Senate Committee on Ways and Means:

**SUBJECT: OPPOSITION TO HOUSE BILL NO. 1744, HD1; RELATING TO THE  
TRANSIENT ACCOMMODATIONS TAX**

Thank you for this opportunity to submit testimony as an individual member of the Kaua'i County Council in strong opposition to House Bill No. 1744, HD1, which would suspend for six (6) years, from July 1, 2009 to June 30, 2015, the distribution of transient accommodations tax revenues to the counties.

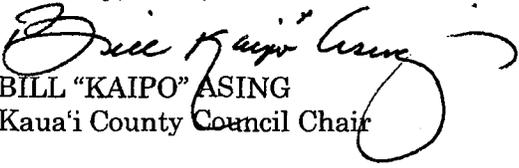
Transient accommodations tax revenues have come to provide a critical means for County governments to address not only visitor enhancements, but essential residential services as well. Elimination of transient accommodations tax revenues to the Counties for a six-year period would have potentially devastating impacts to the viability of local Hawai'i governments and the people we serve.

We ask that current funding resources available to County governments which allow us to adequately address the needs of our shared constituencies in the near future be maintained.

During these trying economic times, we also ask for the recognition that the State and the Counties are tied together in both the fiscal challenges we face and the funding solutions we seek in order to provide our communities with adequate levels of public health and safety services.

Thank you for this opportunity to present my testimony in opposition of this bill.

Sincerely,

  
BILL "KAIPO" ASING  
Kaua'i County Council Chair

**COUNTY COUNCIL**  
Bill "Kaipo" Asing, Chair  
Jay Furfaro, Vice Chair  
Tim Bynum  
Dickie Chang  
Daryl W. Kaneshiro  
Lani T. Kawahara  
Derek S. K. Kawakami



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**Council Services Division**  
4396 Rice Street, Room 206  
Līhu'e, Kaua'i, Hawai'i 96766-1371

March 25, 2009

**TESTIMONY OF TIM BYNUM  
KAUAI COUNTY COUNCIL MEMBER  
ON**

**H. B. NO. 1744, HD1, RELATING TO THE TRANSIENT ACCOMMODATIONS TAX**  
Senate Committee on Ways and Means  
March 27, 2009  
9:30 a.m.  
Conference Room 211

Dear Chair Kim and Members of the Senate Committee on Ways and Means:

I submit this testimony in opposition to H.B. No. 1744, HD1, as an individual member of the Kaua'i County Council and as the Chair of its Public Works/Elderly Affairs Committee.

I am in opposition to this bill because Kaua'i County is also impacted by the decreased amount of visitors on our island and that we are currently receiving a reasonable allocation from the transient accommodations tax; however, if the suspension of the TAT were to pass, it would financially devastate the County of Kaua'i. Further, it would seem inappropriate for the State to balance its budget on the backs of the Counties.

For the reasons stated above, I am in opposition to HB1744, HD1. Thank you for this opportunity to provide testimony.

Sincerely,

**TIM BYNUM**  
Kaua'i County Councilmember

**COUNTY COUNCIL**  
Bill "Kaipo" Asing, Chair  
Jay Furfaro, Vice Chair  
Tim Bynum  
Dickie Chang  
Daryl W. Kaneshiro  
Lani T. Kawahara  
Derek S. K. Kawakami



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**Council Services Division**  
4396 Rice Street, Room 206  
Lihue, Kaua'i, Hawai'i 96766-1371

March 25, 2009

**TESTIMONY OF DICKIE CHANG**  
**KAUA'I COUNTY COUNCIL MEMBER**  
**ON**

**H. B. NO. 1744, HD1, RELATING TO THE TRANSIENT ACCOMMODATIONS TAX**  
**Senate Committee on Ways and Means**  
**March 27, 2009**  
**9:30 a.m.**  
**Conference Room 211**

Dear Chair Kim and Members of the Senate Committee on Ways and Means:

Thank you for the opportunity to submit testimony on H.B. No. 1744, HD1, relating to the transient accommodations tax. My testimony is submitted as an individual Kaua'i County Councilmember.

I am in strong opposition to this bill because the transient accommodations tax (TAT) revenues are essential in contributing to the County of Kaua'i's overall operating budget. Temporarily suspending the distribution of TAT revenues to the counties for six (6) years would financially devastate the County of Kaua'i and result in a substantial reduction of public services.

The County of Kaua'i needs the TAT revenues to provide essential public services to visitors and residents in the areas of public safety, recreation, infrastructure improvements, and maintenance. My involvement in the visitor industry has allowed me to understand the valuable role that the visitor industry plays for the health of Kaua'i's economy. With the recent economic downturn, it is vital that Kaua'i continue to receive TAT revenue to provide for our residents and to remain competitive as a world class destination for visitors to Hawai'i.

For the reasons stated above, I am in opposition to H.B. No. 1744, HD1. Thank you for your consideration.

Sincerely,

  
DICKIE CHANG  
Councilmember

COUNTY COUNCIL  
Bill "Kaipo" Asing, Chair  
Jay Furfaro, Vice Chair  
Tim Bynum  
Dickie Chang  
Daryl W. Kaneshiro  
Lani T. Kawahara  
Derek S. K. Kawakami



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Council Services Division  
4396 Rice Street, Room 206  
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March 25, 2009

TESTIMONY OF DARYL W. KANESHIRO  
KAUAI COUNTY COUNCILMEMBER

ON

H. B. NO. 1744, HD1, RELATING TO THE TRANSIENT ACCOMMODATIONS  
TAX

Senate Committee on Ways and Means

March 27, 2009

9:30 a.m.

Conference Room 211

Dear Chair Mercado Kim and Members of the Ways and Means Committee:

I submit this testimony in opposition to H.B. No.1744, HD1, as an individual member of the Kauai County Council and the Chair of its Budget & Finance Committee.

I am in opposition to this bill for the following reasons:

- HB1744, HD1, proposes to suspend the distribution of TAT revenues to the Counties for six (6) years.
- The counties have provided valuable public service to our residents and visitors in the areas of public safety and recreation.
- The counties must continue to keep up with infrastructure improvements and maintenance.
- Since the termination of the Federal Revenue Sharing Program (State and Local Assistance Act of 1972) in 1987, followed by the termination of the State's Grant-In-Aid to the Counties (Act 155) in 1989, the counties have considered TAT revenues as a consistent and reliable source of revenue (approximately \$14M in revenue to Kauai).
- The property owners who pay real property taxes (major revenue source for the counties) cannot afford to pay increased taxes.
- If passed, the suspension would financially devastate the County of Kauai and would substantially reduce public services.

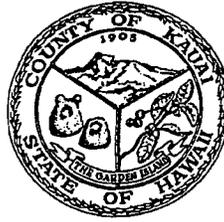
For the reasons stated above, I am in opposition to HB1744, HD1. Thank you for this opportunity to provide testimony.

Sincerely,

Daryl W. Kaneshiro  
Kauai County Councilmember

SI/wa2009-501

**COUNTY COUNCIL**  
Bill "Kaipo" Asing, Chair  
Jay Furfaro, Vice Chair  
Tim Bynum  
Dickie Chang  
Daryl W. Kaneshiro  
Lani T. Kawahara  
Derek S. K. Kawakami



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March 25, 2009

**TESTIMONY OF LANI T. KAWAHARA**  
**KAUAI COUNTY COUNCIL MEMBER**  
**ON**

**H. B. NO. 1744, HD1, RELATING TO THE TRANSIENT ACCOMMODATIONS TAX**  
**Senate Committee on Ways and Means**  
**March 27, 2009**  
**9:30 a.m.**  
**Conference Room 211**

Dear Chair Kim and Members of the Senate Committee on Ways and Means:

I submit this testimony in **opposition** to H.B. No.1744, HD1, as an individual member of the Kaua'i County Council.

To be clear, HB1744. HD1, would immediately eliminate 11.2% of Kauai County's operating budget. That HB1744 would also extend the suspension of the TAT to the counties for 6 years is staggering. Over 6 years, this could be up to or more than \$84 million of funding not provided to the counties.

Both the State and the Counties are in dire straits. We know that all institutions, public and private, across the United States are in deep financial trouble.

If our response to the economic crisis is to pass HB1744, HD1, I submit this would constitute a major dereliction of a government's duty to provide core services to its most vulnerable and most needy. I believe the Counties are the agencies that provide those core services.

In a time where the United States President has recognized the need to address our unstable economy immediately and forcefully, and is willing to stand up and put the force of the United States government and all its resources into addressing the crisis, the State of Hawai'i must recognize that this is more than just balancing the State budget. At a county level, the loss of the TAT funds will directly affect seniors, children, and every economically disadvantaged individual among us.

In hard times such as this, what the State decides to value and fund and what the State decides to cut in the name of crisis, will reflect just what value we place on the importance of basic human services that should and must be provided to our people.

For the reasons stated above, I am in opposition to HB1744, HD1.

Sincerely,

LANI KAWAHARA  
Councilmember

AN EQUAL OPPORTUNITY EMPLOYER

**COUNTY COUNCIL**

Bill "Kaipo" Asing, Chair  
Jay Furfaro, Vice Chair  
Tim Bynum  
Dickie Chang  
Daryl W. Kaneshiro  
Lani T. Kawahara  
Derek S. K. Kawakami



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March 25, 2009

**TESTIMONY OF DEREK S. K. KAWAKAMI  
KAUAI COUNTY COUNCIL MEMBER**

ON

**H. B. NO. 1744, HD1, RELATING TO THE TRANSIENT ACCOMMODATIONS TAX  
Senate Committee on Ways and Means**

March 27, 2009

9:30 a.m.

Conference Room 211

Dear Chair Kim and Members of the Senate Committee on Ways and Means:

Thank you for the opportunity to submit testimony in opposition to HB 1744, HD1, relating to the Transient Accommodations Tax. My testimony is submitted and reflects my views as an individual Councilmember of the Kauai County Council, and as its Public Safety/Energy/Intergovernmental Relations Committee Chair. My testimony is also submitted in my individual capacity as the Hawaii State Association of Counties Vice President.

Since the start of the distribution of TAT revenues to the Counties, the Counties have depended and relied on the TAT revenues to provide essential public services in the area of public safety and recreation, and for the maintenance of facilities to provide a meaningful experience for both visitors and residents.

The suspension of TAT revenues to the Counties would greatly have a negative impact on the services and maintenance that the Counties need to provide in order to promote a valuable travel experience for our visitors (residents also). Kauai County cannot afford to lose the current \$14 million it now receives in TAT revenues, and to burden our real property taxpayers (the only taxing authority for the counties) to make up the shortfall would be financially devastating to our property owners.

In light of the above, I am in opposition to HB 1744, HD1. Thank you again for this opportunity to submit testimony.

Sincerely,

**DEREK S. K. KAWAKAMI**  
Kauai County Councilmember



American Resort Development Association  
c/o PMCI Hawaii 84 N. King Street Honolulu, HI 96817 (808) 536-5688

March 27, 2009

**TO:** Senate Ways and Means Committee  
Senator Donna Mercado Kim, Chair  
Senator Shan S. Tsutsui, Vice Chair

**FROM:** Ed Thompson  
ARDA-Hawaii

**DATE:** Friday, March 27, 2009  
Conference Room 211  
9:30 a.m.

**RE:** **HB1744, HD1, RELATING TO THE TRANSIENT ACCOMODATIONS TAX**

Chair Kim and Members of the Committee:

ARDA-Hawaii is the local chapter of the national timeshare trade association. Hawaii's timeshare industry currently accounts for ten percent of the State's lodging inventory with 7,700 timeshare units and more planned in the future. Timeshare has had consistent occupancy rates, even during tough economic times. This has made our industry a vital partner and a diverse component of the visitor industry in Hawaii.

ARDA – Hawaii opposes HB1744, HD1, Relating to the Transient Accommodations Tax. This bill will suspend TAT distribution to our counties for six years. The complete elimination of TAT revenues for six years will have catastrophic consequences on the operating budgets of the counties and result in the need to curtail and possibly eliminate services that will negatively impact the health, safety, and welfare of their communities.

Thank you very much for the opportunity to offer testimony in support of this measure.



## Senate Ways and Means Committee

### Re: **HB1744 HD1 Relating to Transient Accommodations Tax**

Chair Kim and Members of the Committee:

Hawaii Farm Bureau Federation on behalf of our farm and ranch families and organizations is in **strong opposition to HB1744 HD1** which seeks to temporarily suspend tax revenue sharing practices with the Counties.

The impacts on all of our Counties by tourists is significant. The last statistics states that while the resident population of Hawaii was 1.28 million the de facto population is 1.41 million. These 200K plus people that visit our islands utilize community services which must be provided in a reliable and attractive manner or the negative impacts will surely be forthcoming. Without their share of revenue from the TAT, the counties will need to fend for themselves, the maintenance of infrastructure and delivery of services used by the tourist industry.

As the State faces fiscal challenges so does the Counties. Agriculture depends on the Counties for many services. This measure will have far reaching impacts some of which will inevitably impact farms and ranches. For example, we understand some of the police department's funding is from TAT. We already struggle to receive services as our farms are faced with theft, arson and vandalism issues. Further losses of services will probably leave our farms and ranches totally without service. As criminals recognize that the chances for prosecution are nil, targeting of our farms and ranches will increase placing the viability of our industry at risk.

While we recognize the dire fiscal condition of the State, we respectfully request that this measure be held. There will be many unintended consequences with a much larger price tag than the revenue gain by the State. Thank you for this opportunity to provide our opinion on this matter.

Respectfully submitted,

*Signed*

Dean Okimoto

President



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**  
AFSCME Local 152, AFL-CIO

**RANDY PERREIRA**  
*Executive Director*  
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**NORA A. NOMURA**  
*Deputy Executive Director*  
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**DEREK M. MIZUNO**  
*Deputy Executive Director*  
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Fax: 808.523.6879

**The Twenty-Fifth Legislature, State of Hawaii**  
**Hawaii State Senate**  
**Committee on Ways and Means**

**Testimony by**  
**Hawaii Government Employees Association**  
**March 27, 2009**

**H.B. 1744, H.D. 1 RELATING TO**  
**THE TRANSIENT**  
**ACCOMMODATIONS TAX**

The Hawaii Government Employees Association strongly opposes the purpose and intent of H.B. 1744, H.D. 1. It proposes to suspend the distribution of transient accommodations tax (TAT) revenues to the counties for a six year period. The TAT is an important source of tax revenue for all four counties. Although the counties are not currently facing as dire a situation as the State, Hawaii County and the City and County of Honolulu will need to close their projected budget deficits this year.

Moreover, the four counties will have even greater problems in the coming fiscal years if property values continue to decline, resulting in lower property tax revenues. At the same time, other operating expenses, including the cost of employee benefits, are expected to rise. The loss of TAT revenues for a six year period would have a devastating impact on county government, resulting in major program cuts, layoffs of county employees and higher property taxes.

Even without this proposal, the counties will receive less TAT revenues because of the decline in tourism. The Department of Taxation recently reported that TAT collections were down 8% during the current fiscal year. This ill-conceived legislation shifts the national and state economic crisis to the counties and its residents. We do, however, support S.B. 1111, which increases the TAT and requires the additional revenue to be placed into the state general fund.

Thank you for the opportunity to testify in opposition to H.B. 1744, H.D. 1.

Respectfully submitted,

**Nora A. Nomura**  
**Deputy Executive Director**

**Brian Hallett**

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**From:** michael.jokovich@hyatt.com  
**Sent:** Wednesday, March 25, 2009 1:59 PM  
**To:** WAM Testimony  
**Subject:** Fw: HB 1744 HD1 - TAT for Counties  
**Attachments:** ATT00001.gif

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

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TESTIMONY OF MICHAEL JOKOVICH  
ON HB 1744, HDI RELATING TO THE TRANSIENT ACCOMMODATIONS TAX  
HEARING: FRIDAY, 3/27/09 AT 9:30 AM

Good morning chairperson Kim and members of the Senate Ways & Means Committee

As an 806 room luxury resort in Ka'anapali, the Hyatt Regency Maui is a major contributor to the revenues raised by the Transient Accommodations Tax. Since this tax is paid by our guests coming to Maui, surely they are entitled to enjoy the benefits their money pays for on the island they have chosen to visit. With three islands in our County, to simply cut 18 million dollars from the Maui County budget will drastically reduce the funds available to enhance the tourist experience on three of Hawaii's tourist destinations and will also curtail the Maui Visitors Bureau's marketing efforts to attract more tourists. In addition our local residents would be affected by reducing our county general fund. I realize we are in a state of turmoil with the state budget but the tourism industry is in greater turmoil and to change the allocation of revenues during this time could and would damage our industry further, this reducing tax revenues for the entire state.

And I am not just pleading a case on behalf of Maui County only. The TAT is a vital source of revenue for all Hawaii's counties and with Hyatt resorts on both Oahu and Kauai, I am equally dismayed on their behalf by this proposed measure.

I urge you to vote against this measure and allow the money raised in the counties to stay in the counties.

Thank you for your consideration,

Michael Jokovich  
General Manager  
Hyatt Regency Maui Resort and Spa  
200 Nohea Kai Dr.  
Lahaina, Maui, HI 96761

808-667-4400 Direct  
808-661-0062 Fax  
[michael.jokovich@hyatt.com](mailto:michael.jokovich@hyatt.com)

2009 AAA Four Diamond Award  
2008 Conde Nast Traveler - "Gold List" voted Best Places to Stay  
2008 Conde Nast Traveler - "Top Golf Resorts"  
2008 Conde Nast Traveler voted Maui as "Best Island in the World"



March 25, 2009

**TO:** Senate Ways and Means Committee  
Senator Donna Mercado Kim, Chair  
Senator Shan S. Tsutsui, Vice Chair

**FROM:** Imperial Hawaii Resort, Marilyn Verner, General Manager

**DATE:** Friday, March 27, 2009  
Conference Room 211  
9:30 a.m.

**RE:** HB1744, HD1, RELATING TO THE TRANSIENT ACCOMODATIONS TAX

Chair Kim and Members of the Committee:

Imperial Hawaii Resort opposes HB1744, HD1, Relating to the Transient Accommodations Tax. This bill will suspend TAT distribution to the counties for six years. We recognize the State is facing severe budget problems, but we do not support this solution.

The complete elimination of TAT revenues for six years will have catastrophic consequences on the operating budgets of the counties and result in the need to curtail and possibly eliminate services that will negatively impact the health, safety, and welfare of their communities.

We respectfully ask that you hold this measure.

Thank you very much for the opportunity to offer testimony.



March 25, 2009

**TO:** Senate Ways and Means Committee  
Senator Donna Mercado Kim, Chair  
Senator Shan S. Tsutsui, Vice Chair

**FROM:** Karina Villarroel  
Executive Housekeeper  
Imperial Hawaii Resort

**DATE:** Friday, March 27, 2009  
Conference Room 211  
9:30 a.m.

**RE:** HB1744, HD1, RELATING TO THE TRANSIENT ACCOMODATIONS TAX

Chair Kim and Members of the Committee:

Karina Villarroel opposes HB1744, HD1, Relating to the Transient Accommodations Tax. This bill will suspend TAT distribution to the counties for six years. We recognize the State is facing severe budget problems, but we do not support this solution.

The complete elimination of TAT revenues for six years will have catastrophic consequences on the operating budgets of the counties and result in the need to curtail and possibly eliminate services that will negatively impact the health, safety, and welfare of their communities.

I respectfully ask that you hold this measure.

March 27, 2009

**TO:** Senate Ways and Means Committee  
Senator Donna Mercado Kim, Chair  
Senator Shan S. Tsutsui, Vice Chair

**FROM:** Anthony Gabriel, Reservations Manager, Imperial Hawaii Resort at Waikiki

**DATE:** Friday, March 27, 2009  
Conference Room 211  
9:30 a.m.

**RE:** HB1744, HD1, RELATING TO THE TRANSIENT ACCOMODATIONS TAX

Chair Kim and Members of the Committee:

Anthony Gabriel opposes HB1744, HD1, Relating to the Transient Accommodations Tax. This bill will suspend TAT distribution to the counties for six years. We recognize the State is facing severe budget problems, but we do not support this solution.

The complete elimination of TAT revenues for six years will have catastrophic consequences on the operating budgets of the counties and result in the need to curtail and possibly eliminate services that will negatively impact the health, safety, and welfare of their communities.

We respectfully ask that you hold this measure.

Thank you very much for the opportunity to offer testimony.



Anthony Gabriel



75-5737 Kuakini Hwy. Suite 208  
Kailua-Kona, HI 96740  
Phone: 329-1758 Fax: 329-8564  
www.Kona-Kohala.com info@kona-kohala.com

March 26, 2009

TO: COMMITTEE ON WAYS AND MEANS  
March 27, 2009; Room 211  
Senator Donna Mercado Kim, Chair, Senator Shan S. Tsutsui,  
Vice Chair and Committee Members

FROM: Kona-Kohala Chamber of Commerce (via email in lieu of in-person  
testimony)

SUBJECT: **Opposition of HB1744 HD1 Relating to the Transient  
Accommodations Tax**

My name is Vivian Landrum, Executive Director of the Kona-Kohala Chamber of Commerce (KKCC). KKCC represents over **630** business members and is the leading business advocacy organization on the west side of Hawai'i Island. The KKCC also actively works to enhance the environment, unique lifestyle and quality of life in West Hawai'i for both residents and visitor alike.

On behalf of our membership, I respectfully ask that you hold HB1744 HD1, which would suspend the distribution of the TAT to the counties from July 1, 2009 to June 30, 2015.

The TAT is a significant source of revenue for all of Hawai'i's Counties. This revenue sharing was established in recognition of the Counties contributions to the overall prosperity of the visitor industry. Loss of those funds would significantly impact public health, safety and welfare of residents and visitors alike as these funds are used for services such as police, fire and rescue, lifeguards and waste management.

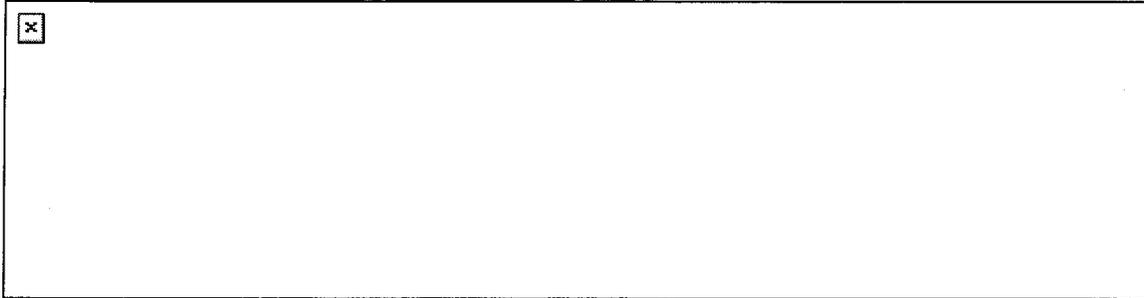
The Chamber understands the budget challenge the State is facing. The Chamber also recognizes the budget challenge the Counties are facing and feel the State should look to other sources for their additional revenue.

For the above reasons, I strongly oppose this bill. Thank you for the opportunity to submit written comments.

Sincerely,

A handwritten signature in cursive script that reads 'Vivian Landrum'.

Vivian Landrum  
Executive Director



March 27, 2009

Honorable Donna Mercado Kim  
Chair, Committee on Ways and Means  
Room 210  
State Capitol

Re: House Bill 1744 Relating to the Transient Accommodations Tax

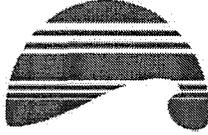
Dear Senator Kim and Members of the Committee:

The League of Women Voters of Hawaii opposes this bill. Our counties are having just as much trouble in balancing their budgets as the State. The major difference is that you have many ways to raise money and the counties have very few.

If this bill is enacted into legislation, the tax burden of every property owner in Hawaii will be increased. Although the State may be in tough financial circumstances, it is not fair to pre-empt income from the counties.

Thank you for this opportunity to testify.

Jacqueline Parnell, President  
League of Women Voters of Hawaii



LAWAI BEACH RESORT

*"A Contemporary Resort with true Hawaiian Values"*

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March 27, 2009

**TO:** Senate Ways and Means Committee  
Senator Donna Mercado Kim, Chair  
Senator Shan S. Tsutsui, Vice Chair

**FROM:** Primrose K. 'Noe' Hookano; General Manager

**DATE:** Friday, March 27, 2009  
Conference Room 211  
9:30 a.m.

**RE:** **HB1744, HD1, RELATING TO THE TRANSIENT ACCOMODATIONS TAX**

Chair Kim and Members of the Committee:

The Lawai Beach Resort opposes HB1744, HD1, Relating to the Transient Accommodations Tax. This bill will suspend TAT distribution to the counties for six years. We recognize the State is facing severe budget problems, but we do not support this solution.

The complete elimination of TAT revenues for six years will have catastrophic consequences on the operating budgets of the counties and result in the need to curtail and possibly eliminate services that will negatively impact the health, safety, and welfare of their communities.

We respectfully ask that you hold this measure.

Thank you very much for the opportunity to offer testimony.

## **Maui County Farm Bureau**

*An Affiliate of the American Farm Bureau Federation and Hawaii Farm Bureau Federation*

*Serving Maui's Farmers and Ranchers*

P.O. Box 148

Kula, Hawaii 96790

### **TESTIMONY**

#### **Senate Ways and Means Committee**

#### **Re: HB1744HD1 Relating to Transient Accommodations Tax**

Chair Kim and Members of the Committee:

Maui County Farm Bureau, Maui's general agricultural advocacy organization is in strong opposition to HB1744HD1, which seeks to retain TAT collections at the State level.

While all of us benefit from the tourist industry, there are costs associated with having a strong tourist industry. Maintenance of public facilities and delivery of community services to the tourist and resident cannot be differentiated ....all are done by the same people. The County is looking for ways to creatively manage its' budget. The implications of loosing the TAT revenue stream will have far reaching consequences.

As a drought prone county, water is of critical importance. The tourists drink and use water. The TAT revenue provided a fair mechanism to pay for these services. Will this mean County service rates will need to be increased to offset the loss of these revenues? Everyone is bracing for inevitable increases in costs. This is beyond what is expected.

**We respectfully request that this bill be held.** It is important that the State and County work as a team during these difficult times. Bills such as this does not foster teamwork. Thank you.



To: The Honorable Donna Kim, Chairwoman  
Senate Ways and Means Committee

Re: HB 1744 HD1 Relating to Transient Accommodations Tax

Aloha, Senator Donna Kim, Chairwoman; Vice Chair Shan Tsutsui and Committee Members:

My name is Terryl Vencl executive director of the Maui Visitors Bureau. The MVB is opposed to the proposed bill to suspend county funding from the TAT tax.

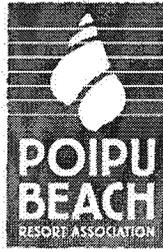
The visitor industry is hurting right now and suspension of the TAT dollars would further deteriorate the ability to assist the workers who have been laid off and need assistance. This would be a devastating blow to our county. These dollars are needed at the county level to assist them in the same downturn of revenues that you are facing. This will also mean difficulty to our many non-profits who are helped by the total budget of the county.

Please leave the county funding as it stands today.

Mahalo, for your consideration.

Aloha,

Terryl Vencl  
Executive Director



March 26, 2009

Via Email Communication: [WAMtestimony@Capitolhawaii.gov](mailto:WAMtestimony@Capitolhawaii.gov)

TO: Senator Donna Mercado Kim, Chair  
Senator Shan S. Tsutsui, Vice Chair

RE: HB1744 Relating to Transient Accommodations Tax  
Friday, March 27, 2009  
9:30a.m.

FR: Poipu Beach Resort Association

Good afternoon Chair Mercado Kim, Vice Chair Tsutsui and members of the Ways and Means Committee. I am Roy Thompson, President of the Poipu Beach Resort Association.

The Poipu Beach Resort Association (PBRA) is a member-based organization of nearly 150 businesses, primarily located on the South Shore of Kauai. Our membership includes hotels, condominiums, management firms, activity operators, shopping and dining establishments, services and other related firms and individuals, ranging from small, owner-operated businesses to some of the largest employers on the island.

PBRA strongly opposes HB 1744 Relating to the Transient Accommodations Tax (TAT), which would suspend TAT distribution to the counties for a duration of 6 years. The TAT is a critical source of additional revenue for the counties and provides funding for public facilities and services, which are used by both the resident and visitor communities.

While we recognize that the State is facing severe budgetary concerns, we do not support the complete elimination of TAT revenues from the counties. Such elimination would have catastrophic consequences on the counties operating budgets and result in the need to suspend and possibly eliminate services that will negatively impact the health, safety and welfare of our communities.

Mahalo for this opportunity to present testimony in opposition of HB 1744.



9002 San Marco Court  
Orlando, Florida 32819  
(407) 418-7271

March 27, 2009

To: Senator Donna Mercado Kim, Chair  
Senator Shan S. Tsutsui, Vice Chair  
Senate Ways and Means Committee

Fr: Robin Suarez, Vice President & Associate General Counsel for Starwood  
Vacation Ownership

Re: **HB1744, HD1, Relating to the Transient Accommodations Tax - OPPOSE**  
Friday, March 27, 2009 - Conference Room 211 - 9:30 a.m.

Aloha Chair Kim, Vice Chair Tsutsui and Members of the Committee:

My name is Robin Suarez, Vice President & Associate General Counsel for Starwood Vacation Ownership, ("SVO"). Thank you for the opportunity to testify in opposition to HB1744 HD1, Relating to the Transient Accommodations Tax ("TAT").

This bill will suspend TAT distribution to the counties for six years. We recognize the State is facing severe budget problems, but we do not support this solution.

Annual TAT revenues help counties by providing a vital source of revenue to help fund critical services, facilities and operations for visitors and services. SVO believes the complete elimination of TAT revenues for six years will have catastrophic consequences on each county's operating budget and will result in the need to curtail and possibly eliminate services that will negatively impact the health, safety, and welfare of each county.

For these reasons, we respectfully request that you hold this bill in committee.

As always, I thank you for the opportunity to share our views on this matter.



**Testimony of Craig Anderson  
General Manager  
The Westin Maui Resort & Spa**

March 25th 2009  
**RE: HB 1744 HD1 Relating to Taxation**

Aloha Chairman Kim, Vice Chair Tsutsui and members of the Ways and Means Committee. I am Craig Anderson, General Manager of the Westin Maui Resort & Spa, a 758 room resort in the heart of Ka'anapali Maui. I am writing to you today in opposition of HB 1744 HD1 which calls for the suspension of distribution of a portion of the TAT tax to the counties. I understand the current conditions of tax revenue and budget shortfalls as I am faced with significantly reduced operating revenues here at my resort as a result of the current economic climate.

The TAT revenues to Maui County fund services and infrastructure that serves visitors and Kama'aina alike. Mayor Tavares has been proactive in reducing county expenditures in line with reduced tax revenue as all businesses are doing today. At my hotel (and at my competitors) we are making the tough decisions to become more efficient, and reduce non-value added processes and expenses. I believe that the answer to the shortfall in state revenues is a close examination of costs and the elimination of waste, not shifting existing revenue from the counties to the state coffers.

The overall decline in occupancies and TAT collection statewide flows through to the counties already. Please reconsider the implications of suspending the TAT revenue to the counties.

We urge you not to pass this bill. Mahalo for the opportunity to testify.

Craig Anderson  
General Manager

# GOODSILL ANDERSON QUINN & STIFEL

A LIMITED LIABILITY LAW PARTNERSHIP LLP

GOVERNMENT RELATIONS TEAM:  
GARY M. SLOVIN  
CHRISTOPHER G. PABLO  
ANNE T. HORIUCHI  
MIHOKO E. ITO

ALII PLACE, SUITE 1800 • 1099 ALAKEA STREET  
HONOLULU, HAWAII 96813

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TELEPHONE (808) 547-5600 • FAX (808) 547-5880  
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INTERNET:  
gslovin@goodsill.com  
cpablo@goodsill.com  
ahoriuchi@goodsill.com  
meito@goodsill.com

## MEMORANDUM

**TO:** Senator Donna Mercado Kim  
Chair, Committee on Ways and Means

**FROM:** Mihoko E. Ito

**DATE:** March 25, 2009

**RE:** H.B. 1744, HD1 – Relating to Transient Accommodation Tax  
Hearing on Friday, March 27, 2009 at 9:30 a.m.

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Chair Kim and Members of the Committee:

I am Mihoko Ito, testifying on behalf of Wyndham Worldwide. Wyndham Worldwide offers individual consumers and business-to-business customers a broad suite of hospitality products and services across various accommodation alternatives and price ranges through its portfolio of world-renowned brands. Wyndham Worldwide has substantial interests in Hawaii that include Wyndham Vacation Ownership, with its new resort at Waikiki Beach Walk.

Wyndham Worldwide respectfully opposes H.B. 1744, H.D.1, which will suspend distribution of transient accommodations tax (TAT) revenues to the counties for six years. TAT revenues are vital to the operating budget of the counties, particularly of the neighbor islands, and eliminating this funding source will have a devastating impact on the provision of critical county services to the people of Hawaii.

We respectfully ask that you hold this measure. Thank you very much for the opportunity to offer testimony on this measure.

# TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TRANSIENT ACCOMMODATIONS, Suspend distribution to the counties

BILL NUMBER: HB 1744, HD-1

INTRODUCED BY: House Committee on Finance

BRIEF SUMMARY: Amends HRS section 237D-6.5 to temporarily suspend the distribution of transient accommodation tax (TAT) revenues to the counties from July 1, 2009 to June 30, 2015 and provide that the revenues be deposited into the state general fund.

EFFECTIVE DATE: July 1, 2020

STAFF COMMENTS: The proposed measure would suspend the transfer of TAT revenues to the counties from July 1, 2009 to June 30, 2015 in an effort to provide another source of general fund revenues to address the state's budget crisis. It should be noted that since the TAT is a major source of revenue for the counties, any reduction of TAT revenues will have to be made up through increases in the property tax, the counties largest source of revenue. If lawmakers believe that they can fool their constituents by raiding the counties share of the TAT, the counties will, no doubt, let real property taxpayers know why their property taxes will have to be raised as it is certain that the counties will not want to shoulder the blame alone.

If the state wishes to suspend the TAT, then consideration must be given to replacing the lost revenues either with a grant-in-aid or another source as grant-in-aids to the counties were repealed by Act 338, SLH 1989. At the very least, given that the counties are in the midst of their budget making process, consideration might be given to early passage of this measure so the counties can construct their budgets with some or without any of the TAT receipts for next year's budget.

It should be remembered the TAT sharing is really a windfall considering the counties plea for the complete control of the real property tax at the 1978 Constitutional Convention. At that time, they told convention delegates that if they could have complete control over the real property tax, they would be able to raise the revenues they needed. However, that promised was short lived as county officials were back at the legislature as soon as the early 1980's begging for grants-in-aid or other taxing powers. It was only when the TAT contributed embarrassing riches for the general fund in the late 1980's did the legislature take some of the TAT funds to make a one-time grant to the counties. Later, when the TAT was earmarked for the convention center, lawmakers earmarked a fixed percentage of TAT collections for each county. It should be noted that the counties have been less than good stewards of the real property tax with which they had been entrusted. Over the years, they shifted more and more of the real property tax burden on to nonresidential classes of property while their spending appetites grew. This created the illusion for residential owners that more programs could be had without raising property taxes on residential property. Now that the nonresidential properties have been tapped out, local government officials find it difficult to go back to homeowners and ask for increases in their property taxes.

Digested 3/25/09

Testimony Presented to the Senate Ways and Means Committee  
Friday, February 27, 2009 at 9:30 am

HB 1744 HD1 – Relating to Transient Accommodations Tax

Chair Kim, Vice Chair Tsutsui and Members of the Committee:

I am testifying as a private citizen and I support the continued discussion of this bill to keep all options of revenue alternatives to the State open.

The purpose of HB 1744 HD1 is to assist the State in dealing with the present fiscal crisis and reduce expected revenue shortfalls by suspending, for six years, the distribution of the transient accommodations tax to the counties.

Sincerely,

Milton Higa

Testimony Presented to the Senate Ways and Means Committee  
Friday, February 27, 2009 at 9:30 am

HB 1744 HD1 – Relating to Transient Accommodations Tax

Chair Kim, Vice Chair Tsutsui and Members of the Committee:

I am testifying as a private citizen and I support the continued discussion of this bill to keep all options of revenue alternatives to the State open.

The purpose of HB 1744 HD1 is to assist the State in dealing with the present fiscal crisis and reduce expected revenue shortfalls by suspending, for six years, the distribution of the transient accommodations tax to the counties.

Sincerely,

Brian Kashiwaeda

Testimony Presented to the Senate Ways and Means Committee  
Friday, February 27, 2009 at 9:30 am

HB 1744 HD1 – Relating to Transient Accommodations Tax

Chair Kim, Vice Chair Tsutsui and Members of the Committee:

I am testifying as a private citizen and I support the continued discussion of this bill to keep all options of revenue alternatives to the State open.

The purpose of HB 1744 HD1 is to assist the State in dealing with the present fiscal crisis and reduce expected revenue shortfalls by suspending, for six years, the distribution of the transient accommodations tax to the counties.

Sincerely,

Ken Kato

Testimony Presented to the Senate Ways and Means Committee  
Friday, February 27, 2009 at 9:30 am

HB 1744 HD1 – Relating to Transient Accommodations Tax

Chair Kim, Vice Chair Tsutsui and Members of the Committee:

I am testifying as a private citizen and I support the continued discussion of this and any other bill to keep all options of revenue options to the State open.

The purpose of HB 1744 HD1 is to assist the State in dealing with the present fiscal crisis and reduce expected revenue shortfalls.

Sincerely,

Stephanie Kim

Testimony Presented to the Senate Ways and Means Committee  
Friday, February 27, 2009 at 9:30 am

HB 1744 HD1 – Relating to Transient Accommodations Tax

Chair Kim, Vice Chair Tsutsui and Members of the Committee:

I am testifying as a private citizen and I support the continued discussion of this bill to keep all options of revenue alternatives to the State open.

The purpose of HB 1744 HD1 is to assist the State in dealing with the present fiscal crisis and reduce expected revenue shortfalls by suspending, for six years, the distribution of the transient accommodations tax to the counties.

Sincerely,

Mark Lane

Testimony Presented to the Senate Ways and Means Committee  
Friday, February 27, 2009 at 9:30 am

HB 1744 HD1 – Relating to Transient Accommodations Tax

Chair Kim, Vice Chair Tsutsui and Members of the Committee:

I am testifying as a private citizen and I support the continued discussion of this bill to keep all options of revenue alternatives to the State open.

The purpose of HB 1744 HD1 is to assist the State in dealing with the present fiscal crisis and reduce expected revenue shortfalls by suspending, for six years, the distribution of the transient accommodations tax to the counties.

Sincerely,

Michael Lealoha

Testimony Presented to the Senate Ways and Means Committee  
Friday, February 27, 2009 at 9:30 am

HB 1744 HD1 – Relating to Transient Accommodations Tax

Chair Kim, Vice Chair Tsutsui and Members of the Committee:

I am testifying as a private citizen and I support the continued discussion of this bill to keep all options of revenue alternatives to the State open.

The purpose of HB 1744 HD1 is to assist the State in dealing with the present fiscal crisis and reduce expected revenue shortfalls by suspending, for six years, the distribution of the transient accommodations tax to the counties.

Sincerely,

Nora Matsubara

Testimony Presented to the Senate Ways and Means Committee  
Friday, February 27, 2009 at 9:30 am

HB 1744 HD1 – Relating to Transient Accommodations Tax

Chair Kim, Vice Chair Tsutsui and Members of the Committee:

I am testifying as a private citizen and I support the continued discussion of this bill to keep all options of revenue alternatives to the State open.

The purpose of HB 1744 HD1 is to assist the State in dealing with the present fiscal crisis and reduce expected revenue shortfalls by suspending, for six years, the distribution of the transient accommodations tax to the counties.

Sincerely,

Gary Nitta

Testimony Presented to the Senate Ways and Means Committee  
Friday, February 27, 2009 at 9:30 am

HB 1744 HD1 – Relating to Transient Accommodations Tax

Chair Kim, Vice Chair Tsutsui and Members of the Committee:

I am testifying as a private citizen and I support the continued discussion of this bill to keep all options of revenue alternatives to the State open.

The purpose of HB 1744 HD1 is to assist the State in dealing with the present fiscal crisis and reduce expected revenue shortfalls by suspending, for six years, the distribution of the transient accommodations tax to the counties.

Sincerely,

Brian Pactol

Testimony Presented to the Senate Ways and Means Committee  
Friday, February 27, 2009 at 9:30 am

HB 1744 HD1 – Relating to Transient Accommodations Tax

Chair Kim, Vice Chair Tsutsui and Members of the Committee:

I am testifying as a private citizen and I support the continued discussion of this bill to keep all options of revenue alternatives to the State open.

The purpose of HB 1744 HD1 is to assist the State in dealing with the present fiscal crisis and reduce expected revenue shortfalls by suspending, for six years, the distribution of the transient accommodations tax to the counties.

Sincerely,

David Tamanaha

Testimony Presented to the Senate Ways and Means Committee  
Friday, February 27, 2009 at 9:30 am  
By  
Howard Todo

HB 1744 HD1 – Relating to Transient Accommodations Tax

Chair Kim, Vice Chair Tsutsui and Members of the Committee:

I am providing this testimony as a private individual.

The purpose of this measure is to assist the State in dealing with the present fiscal crisis and reduce expected revenue shortfalls.

I support continued discussion of this bill and working with the Counties to determine how best to address together the revenue shortfalls at both the State and County level while considering the needs of both.

Testimony Presented to the Senate Ways and Means Committee  
Friday, February 27, 2009 at 9:30 am

HB 1744 HD1 – Relating to Transient Accommodations Tax

Chair Kim, Vice Chair Tsutsui and Members of the Committee:

I am testifying as a private citizen and I support the continued discussion of this bill to keep all options of revenue alternatives to the State open.

The purpose of HB 1744 HD1 is to assist the State in dealing with the present fiscal crisis and reduce expected revenue shortfalls by suspending, for six years, the distribution of the transient accommodations tax to the counties.

Sincerely,

Clifford Togo

Testimony Presented to the Senate Ways and Means Committee  
Friday, February 27, 2009 at 9:30 am

HB 1744 HD1 – Relating to Transient Accommodations Tax

Chair Kim, Vice Chair Tsutsui and Members of the Committee:

I am testifying as a private citizen and I support the continued discussion of this bill to keep all options of revenue alternatives to the State open.

The purpose of HB 1744 HD1 is to assist the State in dealing with the present fiscal crisis and reduce expected revenue shortfalls by suspending, for six years, the distribution of the transient accommodations tax to the counties.

Sincerely,

Michael Unebasami

Testimony Presented to the Senate Ways and Means Committee  
Friday, February 27, 2009 at 9:30 am

HB 1744 HD1 – Relating to Transient Accommodations Tax

Chair Kim, Vice Chair Tsutsui and Members of the Committee:

I am testifying as a private citizen and I support the continued discussion of this bill to keep all options of revenue alternatives to the State open.

The purpose of HB 1744 HD1 is to assist the State in dealing with the present fiscal crisis and reduce expected revenue shortfalls by suspending, for six years, the distribution of the transient accommodations tax to the counties.

Sincerely,

Michael Yoshimura

## Gina Williams

---

**From:** Al Butch Castro [butchcastro@hotmail.com]  
**Sent:** Thursday, March 26, 2009 2:51 PM  
**To:** WAM Testimony  
**Subject:** HB 1744

My name is Al "Butch" Castro and I live on the Big Island. I am sending this written testimony because I will not be able to attend the hearing and I want to go on record that I support HB 1744.

The State is in a severe budget crisis and I believe we need to explore all possibilities. There is a need to hold a public hearing to place all options on the table to explore how the budget can be best balanced.

Thank you for taking the time to read and consider my testimony.

Sincerely,

Al "Butch" Castro

---

Hotmail® is up to 70% faster. Now good news travels really fast. [Find out more.](#)

## Gina Williams

---

**From:** nhamd002@hawaii.rr.com  
**Sent:** Thursday, March 26, 2009 3:07 PM  
**To:** WAM Testimony  
**Subject:** HB 1744

Dear Senator Mercado Kim and Committee Members:

My name is Diana Nham and I lived on the Big Island all of my life. I would like to go on record that I am in support of HB 1744.

Please hold a public hearing to place all options on the table to explore how the budget can be best balanced.

Sincerely,

Diana Nham

**Gina Williams**

---

**From:** Wilfred Tanigawa [wtanigawa@mac.com]  
**Sent:** Thursday, March 26, 2009 2:38 PM  
**To:** WAM Testimony  
**Subject:** HB 1744 (in support)

Dear Senator Mercado Kim and Committee Members,

I support HB 1744. We need to explore every possibility to balance the State Budget during this unprecedented budgetary crisis.

Sincerely,

Wilfred Tanigawa  
19-4188 Road B  
Volcano, HI 96785

**kim4 - Elizabeth**

---

**From:** demellog001@hawaii.rr.com  
**Sent:** Thursday, March 26, 2009 4:23 PM  
**To:** WAM Testimony  
**Subject:** Claudette De Mello and Rose Ferreira Support HB 1744

Dear Senator Donna Kim,

Two of us want to be on record supporting HB 1744. These are tough economic times and would support the state stop giving Hawaii' four counties revenue from the tax on hotel rooms, known as the TAT. We understand that 1/3 of the TAT revenues go to the TAT. Clearly, a large source of revenues for the county next to property taxes. But our economic woes are unparelled and we believe we need to consider all options for eliminating the state's budget crunch. Mahalo.

Claudette De Mello	Rose Ferreira
381 Haili St	P.O. Box 96
Hilo, Hawaii	Honokaa, Hawaii 96727

**kim4 - Elizabeth**

---

**From:** Walter Dudoit [wkdudoit@gmail.com]  
**Sent:** Thursday, March 26, 2009 7:42 PM  
**To:** WAM Testimony  
**Subject:** HB1744

Dear Senator Donna Mercado Kim:

I support HB 1744, RELATING TO THE TRANSIENT ACCOMMODATIONS TAX.. These times warrant unconventional & radical ways for raising revenue. Lets put HB 1744 on the table for discussion.

--

Mahalo,  
Walter Dudoit

**kim4 - Elizabeth**

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**From:** Bridget Awong [bpawong@gmail.com]  
**Sent:** Thursday, March 26, 2009 7:42 PM  
**To:** WAM Testimony  
**Subject:** HB1744

I support HB1744 the state is in an unrepresented budget crisis and we need to find different ways to raise revenues for the budget shortfall.

Aloha  
Bridget Awong  
Hilo Hawaii

ZoeAnne Bianchi  
PO Box 1157  
Mt. View, HI 96771

TESTIMONY  
TO SENATE WAYS AND MEANS COMMITTEE  
PUBLIC HEARING ON HOUSE BILL NO. 1744  
FRIDAY MARCH 27, 2009, 9:30AM  
RELATING TO THE TRANSIENT ACCOMMODATION TAX

Aloha Chairperson Kim, Vice Chairperson Tsutsui, and members of the Senate Ways and Means Committee:

House Bill 1744, if adopted, will have catastrophic consequences for the County of Hawai'i. Our finance department is projecting a \$31.8 million shortfall in revenue for our upcoming 2009-2010 budget cycle.

This bill will add approximately \$18 million to our shortfall forcing us to cut \$49.8 million from our operating budget. To accomplish this tax rates will have to be increased and government employees will have to be laid off causing a reduction in service to our citizens. Simply put, the County does not have any other avenue for absorbing an \$18 million cut. Please keep in mind the entire budget for the County of Hawai'i will be approximately \$370 million and this legislation would amount to an additional 5% cut to our operating funds.

If the County of Hawai'i is forced to resort to laying off employees it will create widespread panic in our county and cause incalculable damage to an already fragile and struggling economy.

I appreciate that the budget for the State of Hawai'i is in a similar situation, however, I believe this legislation will have unintended consequences for the State. If we are forced to cut our workforce, spending will go down as more uncertainty will force our residents to tighten the belts and spend even less than they are currently. This will cause a dramatic decrease in General Excise Tax revenue perpetuating the downward spiral of our economy and revenue.

I urge you in the strongest terms possible to oppose HB 1744. As chairman of the Hawai'i County Council Committee on Finance I completely understand the difficult situation you are in at this time. Please look to other areas to adjust State income levels and reduce State spending that will not have such an immediate and drastic impact on the County of Hawai'i. Thank you for your consideration in this matter.

Warmest Aloha,

Lawrence M. & Shirline I. Brown  
HC1, Box 5327  
Keaau, HI 96749

(808) 966-5075  
larbrown@hawaii.rr.com



March 25, 2009

TESTIMONY OF LAWRENCE M. BROWN  
TO SENATE WAYS AND MEANS COMMITTEE  
PUBLIC HEARING ON HOUSE BILL NO. 1744  
FRIDAY MARCH 27, 2009, 9:30AM  
RELATING TO THE TRANSIENT ACCOMMODATION TAX

Aloha Chairperson Kim, Vice Chairperson Tsutsui, and members of the Senate Ways and Means Committee:

House Bill 1744, if adopted, will have catastrophic consequences for the County of Hawai'i. Our finance department is projecting a \$31.8 million shortfall in revenue for our upcoming 2009-2010 budget cycle.

This bill will add approximately \$18 million to our shortfall forcing us to cut \$49.8 million from our operating budget. I find it incredibly naïve and irresponsible for the State Legislature to presume that it is reasonable and fair to attempt to address the state's revenue shortfalls on the backs of local government and the citizens it most immediately serves. Passage and enactment of HB 1744 will most assuredly force drastic property tax increases and employee layoffs by the counties, which will likely result in an exacerbation of the foreclosure crisis in Hawai'i.

If the County of Hawai'i is forced to resort to laying off employees it will create widespread panic in our county and cause incalculable damage to an already fragile and struggling economy.

I appreciate that the budget for the State of Hawai'i is in a similar situation, however, I believe this legislation will have unintended consequences for the State. If we are forced to cut our workforce, spending will go down as more uncertainty will force our residents to tighten the belts and spend even less than they are currently. This will cause a dramatic decrease in General Excise Tax revenue perpetuating the downward spiral of our economy and revenue.

I urge you in the strongest terms possible to oppose HB 1744. As chairman of the Hawai'i County Council Committee on Finance I completely understand the difficult situation you are in at this time. Please look to other areas to adjust State income levels and reduce State spending that will not have such an immediate and drastic impact on the County of Hawai'i. Thank you for your consideration in this matter.

Warmest Aloha,

Sincerely,  
Lawrence M. Brown

**Geola H. Cardoza  
P.O. Box 7648  
Hilo, HI 96720**

**March 25, 2009**

**Testimony of Geola H. Cardoza  
Employee of the County of Hawai'i  
To the Senate Ways and Means Committee  
Public Hearing on House Bill No. 1744  
Friday March 27, 2009, 9:30AM  
Relating to the Transient Accommodation Tax**

Aloha Chairperson Kim, Vice Chairperson Tsutsui, and members of the Senate Ways and Means Committee.

House Bill 1744, if adopted, will have catastrophic consequences for the County of Hawai'i. Our finance department is projecting a \$31.8 million shortfall in revenue for our upcoming 2009-2010 budget cycle.

This bill will add approximately \$18 million to our shortfall forcing us to cut \$49.8 million from our operating budget. To accomplish this, tax rates will have to be increased and government employees will have to be laid off causing a reduction in service to our citizens. Simply put, the County does not have any other avenue for absorbing an \$18 million cut. Please keep in mind the entire budget for the County of Hawai'i will be approximately \$370 million and this legislation would amount to an additional 5% cut to our operating funds.

If the County of Hawai'i is forced to resort to laying off employees, it will create widespread panic in our county and cause incalculable damage to an already fragile and struggling economy.

I appreciate that the budget for the State of Hawai'i is in a similar situation, however, I believe this legislation will have unintended consequences for the State. If we are forced to cut our workforce, spending will go down as more uncertainty will force our residents to tighten the belts and spend even less than they are currently. This will cause a dramatic decrease in General Excise Tax revenue perpetuating the downward spiral of our economy and revenue.

I urge you in the strongest terms possible to oppose HB 1744. As a county employee for the County of Hawai'i, I completely understand the difficult situation you are in at this time. Please look to other areas to adjust State income levels and reduce State spending that will not have such an immediate and drastic impact on the County of Hawai'i. Thank you so much for your time and consideration in this matter.

Humble servant for the County of Hawai'i

Geola H. Cardoza

**kim2 - Arline**

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**From:** Joe Carvalho [kohala1@yahoo.com]  
**Sent:** Wednesday, March 25, 2009 6:48 AM  
**To:** WAM Testimony  
**Subject:** Opposition to HB1744

Aloha,

Mahalo for the opportunity to testify in opposition to HB1744 which would suspend the transient accommodations tax for 6 years. Our county, as all other counties, are already in dire need of income to support our public beaches, parks pavilions and safety personnel.

We oppose HB1744.

Joseph and Marcia Carvalho  
POB 776  
Kapaau, HI 96755

53375 Old Halaula Mill Road  
Halaula, Hawaii

## kim2 - Arline

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 25, 2009 8:14 AM  
**To:** WAM Testimony  
**Cc:** bcole47@hawaiiantel.net  
**Subject:** Testimony for HB1744 on 3/27/2009 9:30:00 AM

Testimony for WAM 3/27/2009 9:30:00 AM HB1744

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Elizabeth Cole  
Organization: Individual  
Address: 44-3199 Hoo Kahua Road Paauilo, HI  
Phone: 808 775 0392  
E-mail: [bcole47@hawaiiantel.net](mailto:bcole47@hawaiiantel.net)  
Submitted on: 3/25/2009

**Comments:**

Please do not raid County funds to balance a state-level budget. The State cannot keep sacrificing County needs to its own plans, which are tremendously Oahu-focused. We need more home rule not more resource extraction for the state.

## Brian Hallett

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**From:** Maija Cottle [tomaija@yahoo.com]  
**Sent:** Wednesday, March 25, 2009 12:59 PM  
**To:** WAM Testimony  
**Subject:** HB 1744- Testimony

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

March 25, 2009

TESTIMONY OF MAIJA COTTLE  
TO SENATE WAYS AND MEANS COMMITTEE  
PUBLIC HEARING ON HOUSE BILL NO. 1744  
FRIDAY MARCH 27, 2009, 9:30AM  
RELATING TO THE TRANSIENT ACCOMMODATION TAX

Aloha Chairperson Kim, Vice Chairperson Tsutsui, and members of the Senate Ways and Means Committee:

House Bill 1744, if adopted, will have catastrophic consequences for the County of Hawai'i. Our finance department is projecting a \$31.8 million shortfall in revenue for our upcoming 2009-2010 budget cycle.

This bill will add approximately \$18 million to our shortfall forcing us to cut \$49.8 million from our operating budget. To accomplish this tax rates will have to be increased and government employees will have to be laid off causing a reduction in service to our citizens. Simply put, the County does not have any other avenue for absorbing an \$18 million cut. Please keep in mind the entire budget for the County of Hawai'i will be approximately \$370 million and this legislation would amount to an additional 5% cut to our operating funds.

If the County of Hawai'i is forced to resort to laying off employees it will create widespread panic in our county and cause incalculable damage to an already fragile and struggling economy.

I appreciate that the budget for the State of Hawai'i is in a similar situation, however, I believe this legislation will have unintended consequences for the State. If we are forced to cut our workforce, spending will go down as more uncertainty will force our residents to tighten the belts and spend even less than they are currently. This will cause a dramatic decrease in General Excise Tax revenue perpetuating the downward spiral of our economy and revenue.

I urge you in the strongest terms possible to oppose HB 1744. I completely understand the difficult situation you are in at this time. However, please look to other areas to adjust State income levels and reduce State spending that will not have such an immediate and drastic impact on the County of Hawai'i. Thank you for your consideration in this matter.

Warmest Aloha,

MAIJA COTTLE  
225 Terrace Drive  
Hilo, HI 96720

## Brian Hallett

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**From:** Marla DeMarco [mad-slo-cpa@sbcglobal.net]  
**Sent:** Wednesday, March 25, 2009 2:24 PM  
**To:** WAM Testimony  
**Subject:** House Bill 1744-Suspension of Transient Accommodation Tax Pmts

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Chairperson Kim, Vice Chairperson Tsutsui, and members of the Senate Ways and Means Committee

Councilmember Dominic Yagong (Hawaii County District 1) has brought to our attention House Bill 1744-Suspension of the Transient Accommodation Tax Payments to Hawaii's Counties over the next six years beginning July 1, 2009. I understand the House passed Bill 1744 (33-17 vote), which will result in an \$18 million cut to Hawaii County's 2009-2010 operating budget.

Councilmember Yagong indicated that the State Senate will be holding a public hearing this Friday, March 27, 2009, beginning at 9:30 in Honolulu regarding this proposal. Given that we reside in Hilo, Hawaii, we will not have an opportunity to attend your public hearing.

Therefore, we would like to state our **opposition** to any law that would suspend the transient accommodation tax payments to Hawaii's Counties. Hawaii County and all the counties of Hawaii can ill afford such a catastrophic loss in their budgets. For Hawaii County, the \$18 million reduction from this bill would be in addition to an existing \$31.9 million shortfall.

The hardship created by such a bill is articulated by Councilmember Yagong's letter previously sent to you and the members of the Senate Ways and Means Committee.

We strongly urge you to oppose any efforts in the Senate to pass a similar bill.

Frank and Marla DeMarco

**Brian Hallett**

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**From:** Eskaran, Noland [nolandeskaran@co.hawaii.hi.us]  
**Sent:** Wednesday, March 25, 2009 3:34 PM  
**To:** WAM Testimony  
**Subject:** Public Hearing on House Bill No. 1744 / Transient Accommodation Tax

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

To; Chairperson Kim and Vice Chairperson Tsutsui

As a resident of the County of Hawaii and tax payer, I urge you **not** to adopt House Bill No. 1744 / Transient Accommodation Tax. I feel that our county is already projecting a 31+ million shortfall in revenue and implementation of this bill would only add to this shortfall. Obviously when government is faced with budget constraints, the public suffers in reduced services / amenities (potentially furloughs and layoffs). Our economic situation is already bad enough, this would make things even worse. If you look at this logically, visitors coming to our state won't take the transient tax as the determining factor to decide whether to vacation here or not.

Again, please don't adopt House Bill No. 1744

Thank you / Aloha,

**Noland Eskaran**  
**53 Manulele St.**  
**Hilo, Hawaii (6720)**

**kim2 - Arline**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 25, 2009 12:15 PM  
**To:** WAM Testimony  
**Cc:** flammerfamily@aol.com  
**Subject:** Testimony for HB1744 on 3/27/2009 9:30:00 AM

Testimony for WAM 3/27/2009 9:30:00 AM HB1744

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Gina Flammer  
Organization: Individual  
Address: P.O. Box 1060 Kula, HI 96790  
Phone: 808-250-6589  
E-mail: [flammerfamily@aol.com](mailto:flammerfamily@aol.com)  
Submitted on: 3/25/2009

**Comments:**

This measure would unfairly penalize the counties and shift the budget problems from the state tot the county. In reality it would cause state mandated programs currently paid for by the counties to be cut as the county looks to continue it's support of the visitor industry and impacts with other county funding. The state will not be able to use the extra moneies gained from the county's share of the TAT for these programs. We are all having budget problems. Taking TAT money from the counties is unjust and could have the unitedned consequence of hurting the neighbor island visitor indutry which brings the most TAT revenues.

Kamuela, Hawai'i

Wednesday, March 25, 2009

**SUBJECT: TESTIMONY OF KAREEN FORISSIER TO SENATE WAYS AND MEANS COMMITTEE PUBLIC HEARING ON HOUSE BILL NO. 1744 ON FRIDAY MARCH 27, 2009, 9:30AM RELATING TO THE TRANSIENT ACCOMMODATION TAX**

Aloha Chairperson Kim, Vice Chairperson Tsutsui, and members of the Senate "Ways and Means" Committee!

Passage of House Bill 1744 will have catastrophic consequences for the residents of the County of Hawai'i. Part of these funds are used to help with our (already below average) public utilities that serve both residents and tourists. Moreover, though generated in the accommodation industry, these funds help maintain afloat a current declining tourist economy.

The funds received by the County of Hawai'i, estimated at \$18 million, are the pure result of hard-working residents delivering our famous *aloha spirit* and providing a span of accommodation, from luxury to mainstream, to island visitors. Suspending the funds from the Transient Accommodation Tax to Hawai'i County would be like stealing: who wants to cook a meal that gets eaten by your neighbor? We can at least share...

As elected officials to represent us at the State level, voting to suspend the Transient Accommodation Tax would be like denying where you come from and forgetting who you represent. We are too small a voice to fight the Legislature on our own – and that is why we elected you to be our strong voice to the State.

Please vote against suspending the Transient Accommodation Tax to Counties.

Please vote 'no' to House Bill 1744.

Regards,

*K. Forissier*

Kareen K. Forissier, PhD

**Brian Hallett**

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**From:** Gamiao, Joaquin [JGAMIAO@co.hawaii.hi.us]  
**Sent:** Wednesday, March 25, 2009 2:42 PM  
**To:** WAM Testimony

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

STATE OF HAWAII  
Senate Ways and Mean Committee  
Honolulu, Hawai'i

RE: HOUSE BILL NO. 1744 - TRANSIENT ACCOMMODATION TAX

Aloha Chairperson Kim, Vice Chairperson Tsutsui, and members of the Senate Ways and Means Committee:

House Bill 1744, if adopted, will have catastrophic consequences for the County of Hawai'i. This bill will add approximately \$18 million to our shortfall forcing us to cut \$49.8 million from our operating budget. To accomplish this rates will have to be increased and government employees will have to be laid off causing a reduction in service to our citizens. Simply put, the County does not have any other avenue for absorbing an \$18 million cut.

If forced to start laying off employees, the County of Hawaii will create widespread panic and can cause incalculable damage to an already fragile and struggling economy. Decreasing the workforce would result in even less spending, resulting in a decrease in the General Excise Tax revenue, thus speeding the downward economical spiral

I urge you in the strongest terms possible to oppose HB 1744. Please look to other areas to adjust State income levels and reduce State spending that will not have such an immediate and drastic impact on the County of Hawai'i. Thank you for your consideration in this matter.

Sincerely,  
Joaquin Gamiao  
P.O. Box 161  
Volcano, Hawai'i 96785  
Email: [volcanoboyz@netzero.net](mailto:volcanoboyz@netzero.net)

## Brian Hallett

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**From:** douglas green [doug\_sue2@yahoo.com]  
**Sent:** Wednesday, March 25, 2009 6:47 PM  
**To:** WAM Testimony  
**Subject:** Re House Bill 1744

This was brought to the attention of the County of Hawaii employees late this afternoon before we left work. I am writing from my home computer because I strongly oppose the passing of this House Bill 1744. I don't want to wait until we return to work Friday, March 27, 2009 to email my opposition just in case it would be too late to be considered since the public hearing starts at 9:30 am.

If I understand correctly what was explained then the bottom line could be reduction of personnel which this fear would affect me personally. I don't know how it is decided which jobs stay and which jobs are cut but I have only 2 years combined service with the State and now my employer the County of Hawaii. So it would seem to me that based on time served that would put me in the likelihood of losing my job should cuts be chosen as a way to balance budgets

I hope that the fact that at present it does not seem that the public we serve at the Department of Vehicle Registration and Licensing has slacked off which would be a plus in keeping all staff necessary. In Hilo we need everyone who is employed with our department to serve the public at its' best. It would not be a matter of simply working harder, we already work hard but on peak times such as the last week and first week of each month the lines are long with registration and renewals. We all work very efficiently and quickly to see that the public doesn't have long waits such as they have in Honolulu and other islands or the horror stories we hear from those coming from the mainland.

Isn't there areas like cutting seminars or conferences which would help? I know that these cuts wouldn't be much but maybe would help. I don't have enough knowledge of politics to even offer where cuts could be made. At the DMV&L, as I am sure other County offices, we turn off computers, lights in rooms that aren't used, adding machines, printers and so forth.

We stay in hotels on our islands and support local businesses which adds to the revenue.

Again I am in opposition of House Bill 1744. I do not want to lose my job anymore than any one who has the same concern or those that have already lost their job. I am the breadwinner of my household.

Sincerely,

Mary Sue Green

## Brian Hallett

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**From:** Phamada@aol.com  
**Sent:** Wednesday, March 25, 2009 5:08 PM  
**To:** WAM Testimony  
**Subject:** House Bill 1744

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Date: March 25, 2009

TO: Senate Ways and Means Committee

FROM: Patsy Hamada  
P.O. Box 545  
Captain Cook, HI 96704

RE: House Bill 1744 regarding the Transient Accommodation Tax

Dear committee members:

I strongly oppose this bill and urge you to look to other means to adjust the State budget. Losing the Transient Accommodation Tax will severely affect the budget of the County of Hawaii. We already are projecting a shortfall of \$31.8 million in revenue for the 2009-2010 budget, and losing this tax will add another \$18 million to this shortfall.

Please help us and keep the Transient Accommodation Tax where it is.

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Feeling the pinch at the grocery store? [Make meals for under \\$10.](#)

**kim2 - Arline**

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**From:** Kaaiakamanu, Sally [SKaaiakamanu@co.hawaii.hi.us]  
**Sent:** Wednesday, March 25, 2009 11:19 AM  
**To:** WAM Testimony  
**Subject:** House bill 1744

I am strongly opposed to this bill. I will not vote for those who support it.

**Sally J Kaaiakamanu**  
**Tax Collection Assistant**  
**County of Hawaii, Department of Finance**  
**Real Property Tax Division**  
**101 Pauahi St., Suite 4**  
**Hilo HI 96720-4224**  
**808-961-8403**

## Gina Williams

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**From:** randy lovato [randy.lovato@hawaiiantel.net]  
**Sent:** Wednesday, March 25, 2009 9:01 PM  
**To:** WAM Testimony  
**Subject:** House Bill 1744 Transient Accommodation Tax

Aloha Elected Leaders:

This additional \$18 million dollar budgetary shortfall for our community will ultimately cost many of our residents as well as the State of Hawaii extreme hardships. We are already facing a projected \$31.8 million dollar shortfall to begin with. There must be other options, none of which are easily met, however, placing this additional shortfall on our county is frankly very FEARFUL.

The ramifications of lay offs by the county and all businesses will create more homeless families, more crime and complete havoc on our beloved island. You must not allow this to happen! I strongly recommend that you all take a step back, look at the big picture and make the decision to keep us afloat. Do not abandon us now, for together we can overcome these very trying times.

We are all in this together. I understand the difficult decisions that are placed in front of you, it can not be easy. Our family budget is very strict, we must be extremely careful not to spend needlessly. Our household is sacrificing to keep expenditures in line with our incomes, we thank our dear Lord we have such a beautiful beach to entertain our family.

Mahalo for listening,

Randy Lovato  
Captain Cook, HI

\_\_\_\_\_ Information from ESET NOD32 Antivirus, version of virus signature database 3964 (20090326)  
\_\_\_\_\_

The message was checked by ESET NOD32 Antivirus.

<http://www.eset.com>

## Gina Williams

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**From:** Donna [rjkaleihiwa@aol.com]  
**Sent:** Thursday, March 26, 2009 11:04 AM  
**To:** WAM Testimony  
**Subject:** House Bill 1744

Aloha Chairperson Kim, Vice Chairperson Tsutsui, and members of the Senate Ways and Means Committee:

House Bill 1744, if adopted, will have catastrophic consequences for the County of Hawai'i. I understand our finance department is projecting a \$31.8 million shortfall in revenue for our upcoming 2009-2010 budget cycle. This bill will add \$18 million to our shortfall causing tax rates to be increased and government employees to be laid off causing a reduction in service to our citizens. I am a County of Hawai'i, Department of Finance, Vehicle Registration and Licensing employee. We have one of the busiest offices in County Government. If our staff is reduced it will create a great disservice to the citizens of this County.

I urge you in the strongest terms possible to oppose HB 1744. Thank you for your consideration in this matter

Warmest Aloha,

D M Makekau  
Resident and Government Employee, Hawai'i County

**kim2 - Arline**

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**From:** Steven Offenbaker [soffenbaker@gmail.com]  
**Sent:** Wednesday, March 25, 2009 12:25 PM  
**To:** WAM Testimony  
**Subject:** Public Hearing HB 1744 3-27-09 9:30am

March 25, 2009

TESTIMONY OF STEVEN OFFENBAKER  
TO SENATE WAYS AND MEANS COMMITTEE  
PUBLIC HEARING ON HOUSE BILL NO. 1744  
FRIDAY MARCH 27, 2009, 9:30AM  
RELATING TO THE TRANSIENT ACCOMMODATION TAX

Aloha Chairperson Kim, Vice Chairperson Tsutsui, and members of the Senate Ways and Means Committee:

House Bill 1744, if adopted, will have catastrophic consequences for me and other employees of the County of Hawaii. This bill would force the County to reduce its budget by \$18 million in a very short period of time to be ready for the start of the new fiscal year on July 1, 2009.

There are only two ways the county could offset this \$18 million loss, one is to raise taxes and the other is to cut jobs. Raising taxes in this terrible economy is not a very viable option. Many people are already struggling to keep their homes and an increase on Real Property Tax would force people out of their homes. If the GET is raised then everything becomes more expensive, and people will have to cut back spending even more and go without, further slowing the economy.

To cut \$18 million in Salary and Wages the County of Hawaii would need to cut somewhere in the neighborhood of 500 jobs. I fear my job might be one of them. If I am laid off I would lose my home, and not be able to provide for my children. I would become dependent on the State through programs and unemployment insurance to just get by.

How will this save the State of Hawaii money? I urge you to oppose HB 1744 and find other ways to adjust the State Budget. Thank you for your time

Sincerely,

Steven Offenbaker

HB1583 HD1 SD1 Proposed- Relating to Taxation

DATE: Friday, March 27

TIME: 9:30AM

PLACE: Conference Room 211

TO: Senate Committee on Ways and Means

Senator Donna Mercado Kim, Chair

Senator Shan S. Tsutsui, Vice Chair

FROM: **Frances N. Okazaki**

Re: Testimony in Strong Opposition to HB1583 HD1 SD1 Proposed - Relating to Taxation

Aloha! Thank you for the opportunity to submit testimony in strong opposition to HB1583 HD1 SD1 Proposed.

I am an investor in Kambei, LLC, a special entity formed to invest in HiMAX Research & Development, a qualified high technology business. Like the provisions and incentives of Act 221, I invested in HiMAX to support and encourage high technology firms to come to Hawaii to do business locally. As I understand it, HB1583 HD1 SD1 as proposed will effectively cut off the flow of critical investment dollars needed for the establishment, survival and growth of incubator or early stage high tech companies. The loss of investment dollars will pose a direct threat to the survival of these early stage high tech companies and could very well lead to a potential shutdown and loss of jobs here in Hawaii. This could also discourage other future high technology companies who are thinking of establishing their business here in Hawaii.

I am also involved with commercial real estate leasing of office spaces and often find these companies needing to expand from their smaller "home office" operations into larger spaces in "downtown" where they are able to meet with other companies to enhance their business expansion. While this transition is a critical part of their development into mainstream business America, more often than not the financial challenges of office occupancy costs are one of their greatest concerns. In some cases these start-ups are required to put aside more than twice the amount of security deposit since they do not have a business history. Without the assistance of investors and incentives provided by Act 221, many are unable to find suitable office space with the power and infrastructure they need. Any reduction, or suspension of the credit or the carryover provisions prior to 2010 would erode if not destroy investor confidence, would dry up investments, and, I believe, would lead to the demise of a number of qualified high tech businesses.

Mahalo for the opportunity to submit this testimony in strong opposition to this bill.

Sincerely,

  
Frances N. Okazaki

## Gina Williams

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**From:** Rosemarie Quintal [anemonerainstar@gmail.com]  
**Sent:** Thursday, March 26, 2009 3:21 PM  
**To:** WAM Testimony  
**Cc:** Ku'ulei Kiliona  
**Subject:** I Oppose The State Legislature Giving The Transient Accommodation Tax To State General Funds

Aloha--I oppose any loss to the County Of Hawaii of the transient accommodation tax. I noticed two Cruise Ship arrivals of about 6,000 people including the crews. As it is all these people use the Hele On Bus system as residents do for free and enjoy our beaches with no entrance fees. In turn tourists help support through their donation sour Honomu Computer Resource Center where we get to know where people are from helping us feel safer and we also make new friends, business acquaintances.

I hear some no one thrives or has a wind fall for Diversified Agriculture but people are surviving. I mention this because we are slowly recovering from losing the Sugar Industry, learning new small businesses and other means of livelihood. Please do not take the tourist tax from our economy.

Furthermore, there are so many more organized ways the Hawaii State Legislature could proceed with income evaluations. The Hawaii State legislature in my opinion has done this piece meal attack upon state workers, now the county funds that support tourism. Why not number all the art, make sure that the art in state buildings exists, photo essay the art, publish the book and sell the art that does not really reflect some State of Hawaii expression of aloha, or culture pluralism or guideline that you promulgate for purchasing art to begin with. State Art is on the list of pork barrel items that cost taxpayers dollars. I did not find as my assignment some of the art in buildings in 1981. How much will you pay me to write that book and record the reality that people steal art from public buildings and you do not account for that aspect of taxpayer loss--but oh--you can take health care benefits away--oh you can cut salaries--Auwe--and you can give yourselves raises.

Everyone must experience the pinch of State Revenues except for the pork barrel shortfalls you do not account for. My ex husband now has 270 cases because of Welfare applications and the hiring freeze ensures three offi e workers that there is no clerk. Now you want to reduce their salaries...

When the State Of Hawaii haws shortfalls what are your plans for looking for revenues elsewhere? I put my anger into an idea--where is your respect for the Labor Force? Mahalo For You attention to my letter---Aloha Rosemarie Quintal

**Gina Williams**

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**From:** Jack Stevenson [ulua3@hotmail.com]  
**Sent:** Thursday, March 26, 2009 6:33 AM  
**To:** WAM Testimony  
**Subject:** HB 1744

Subject: HB 1744

Your House Bill 1744 calling for suspending distribution of hotel room tax revenues (TAT) to the four counties for six years starting July 1, should not be passed.

I am an owner of a vacation rental on Hawaii island, paid just under \$30,000 in the last 4 years in TAT, I want the distribution of tax revenues to stay just the way they are.

You should not try to fix your (State) problems by transferring it to another person (Counties).

Mahalo,

Jack Stevenson  
82 Halualani Place  
Hilo Hawaii 96720

**kim2 - Arline**

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**From:** virtualveritas@aol.com  
**Sent:** Wednesday, March 25, 2009 8:55 AM  
**To:** WAM Testimony; margaretwille@mac.com  
**Subject:** I oppose HB1744

My name is Patrick Sullivan, resident of the Big Island, owner of a tourism business. I am vehemently opposed to the passage of HB1744.

The monies are essential to the functioning of the Big Island and the infrastructure demands which tourists place on our Island. The transient tax is specifically levied on tourists to provide for the burden they place on our resources needed to serve them properly. Any further reduction, let alone the entire elimination, of these funds is extremely short sighted as tourism is the main revenue producer here, and many county parks, bathrooms and other facilities are already substandard, and embarassingly, on par with poor, third world countries. To further reduce the funds and subsequently further degrade the infrastructure will only serve to reduce the flow of tourists and their badly needed economic benefits. Thus the ultimatley outcome of this bill if passed will reduce the very tax revenues this misguided bill seeks to use elsewhere. This bill is a lose- lose proposition. Do not pass it!

Please oppose

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## kim2 - Arline

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 25, 2009 11:29 AM  
**To:** WAM Testimony  
**Cc:** virtualveritas@aol.com  
**Subject:** Testimony for HB1744 on 3/27/2009 9:30:00 AM

Testimony for WAM 3/27/2009 9:30:00 AM HB1744

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: patrick sullivan  
Organization: ekite eco tours  
Address: po box 1198 kamuela  
Phone: 808-351-8471  
E-mail: [virtualveritas@aol.com](mailto:virtualveritas@aol.com)  
Submitted on: 3/25/2009

### Comments:

This bill will deprive the Big Island of the funds needed to maintain an already dilapidated infrastructure needed to encourage tourism and the County's ability to provide services and facilities tourists need to enjoy their stay. Hapuna Beach Park, for example has dirty, unsanitary bathrooms with no toilet paper-third world conditions really. The transient tax was designed to allow the County of Hawaii to provide the necessary funds to supply the facilities tourists use. By eliminating these funds you only ensure fewer tourists will visit the islands as their stay will be less than enjoyable due to substandard facilities. This will in turn lessen further the very tax pool this bill seeks to divert. Furthermore, disappointed tourists will not come back as repeaters, and this will further reduce future jobs, tax revenues, business profits. Pennywise pound foolish.

**Brian Hallett**

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**From:** Tahara, Judy [jtahara@co.hawaii.hi.us]  
**Sent:** Wednesday, March 25, 2009 1:25 PM  
**To:** WAM Testimony  
**Subject:** HB 1744

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

I strongly oppose to the passage of House Bill 1744 - J Tahara

## Gina Williams

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, March 26, 2009 8:34 AM  
**To:** WAM Testimony  
**Cc:** giltaylor@hawaii.rr.com  
**Subject:** Testimony for HB1744 on 3/27/2009 9:30:00 AM

Testimony for WAM 3/27/2009 9:30:00 AM HB1744

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Gil Taylor  
Organization: Individual  
Address: 76-977 Ae'o St Kailua-Kona HI  
Phone: 808-327-4949  
E-mail: [giltaylor@hawaii.rr.com](mailto:giltaylor@hawaii.rr.com)  
Submitted on: 3/26/2009

**Comments:**

I strongly oppose this proposed legislation because it is totally unfair to those of us who live on the other islands.

## Gina Williams

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**From:** basic@interpac.net  
**Sent:** Thursday, March 26, 2009 10:58 AM  
**To:** WAM Testimony  
**Subject:** House Bill 1744

Aloha Chairperson Kim, Vice Chairperson Tsutsui, and members of the Senate Ways and Means Committee:

House Bill 1744, if adopted, will have catastrophic consequences for the County of Hawaii. Our finance department is projecting a \$31.8 million shortfall in revenue for our upcoming 2009-2010 budget cycle.

This bill will add approximately \$18 million to our shortfall forcing us to cut \$49.8 million from our operating budget. To accomplish this tax rates will have to be increased and government employees will have to be laid off causing a reduction in service to our citizens. Simply put, the County does not have any other avenue for absorbing an \$18 million cut. Please keep in mind the entire budget for the County of Hawaii will be approximately \$370 million and this legislation would amount to an additional 5% cut to our operating funds.

If the County of Hawaii is forced to resort to laying off employees it will create widespread panic in our county and cause incalculable damage to an already fragile and struggling economy.

I appreciate that the budget for the State of Hawaii is in a similar situation, however, I believe this legislation will have unintended consequences for the State. If we are forced to cut our workforce, spending will go down as more uncertainty will force our residents to tighten the belts and spend even less than they are currently. This will cause a dramatic decrease in General Excise Tax revenue perpetuating the downward spiral of our economy and revenue.

I urge you in the strongest terms possible to oppose HB 1744. As a concern citizen in the County of Hawaii I completely understand the difficult situation you are in at this time. Please look to other areas to adjust State income levels and reduce State spending that will not have such an immediate and drastic impact on the County of Hawaii. Thank you for your consideration in this matter.

Warmest Aloha,  
Amy Uchima

**Brian Hallett**

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**From:** Diane Ware [volcanogetaway@yahoo.com]  
**Sent:** Wednesday, March 25, 2009 4:52 PM  
**To:** WAM Testimony

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Dear Legislators,

Please oppose HB1744 and preserve our communities, natural and cultural resources. These funds are desperately needed and rightly belong to the counties from which they derive. I urge you to do so to honor public trust, and future environmental sustainability which encourages the tourism business in the islands. Please be pno.

Respectfully,

Diane Ware  
P.O. Box 698, Volcano HI 96785  
808-967-8642

**kim2 - Arline**

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**From:** Wessel, Leinani [lwessel@co.hawaii.hi.us]  
**Sent:** Wednesday, March 25, 2009 12:43 PM  
**To:** WAM Testimony  
**Subject:** Testimony in opposition of HB 1744

March 25, 2009

TO SENATE WAYS AND MEANS COMMITTEE  
PUBLIC HEARING ON HOUSE BILL NO. 1744  
FRIDAY MARCH 27, 2009, 9:30 AM  
RELATING TO THE TRANSIENT ACCOMMODATION TAX

Aloha Chairperson Kim, Vice Chairperson Tsutsui, and members of the Senate Ways and Means Committee:

House Bill 1744, if adopted, will have catastrophic consequences for the County of Hawai'i. Our finance department projecting a \$31.8 million shortfall in revenue for our upcoming 2009-2010 budget cycle.

This bill will add approximately \$18 million to our shortfall forcing us to cut \$49.8 million from our operating budget. To accomplish this tax rates will have to be increased and government employees will have to be laid off causing a reduction in service to our citizens. Simply put, the County does not have any other avenue for absorbing an \$18 million cut. Please keep in mind the entire budget for the County of Hawai'i will be approximately \$370 million and this legislation would amount to an additional 5% cut to our operating funds.

If the County of Hawai'i is forced to resort to laying off employees it will create widespread panic in our county and cause incalculable damage to an already fragile and struggling economy.

I appreciate that the budget for the State of Hawai'i is in a similar situation, however, I believe this legislation will have unintended consequences for the State. If we are forced to cut our workforce, spending will go down as more uncertainty will force our residents to tighten the belts and spend even less than they are currently. This will cause a dramatic decrease in General Excise Tax revenue perpetuating the downward spiral of our economy and revenue.

I urge you in the strongest terms possible to oppose HB 1744. As chairman of the Hawai'i County Council Committee on Finance I completely understand the difficult situation you are in at this time. Please look to other areas to adjust State income levels and reduce State spending that will not have such an immediate and drastic impact on the County of Hawai'i. Thank you for your consideration in this matter.

Warmest Aloha,

Leinani Wessel  
County of Hawai'i employee

## Gina Williams

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**From:** Ron Whitmore [whitmo17@msu.edu]  
**Sent:** Thursday, March 26, 2009 3:43 AM  
**To:** WAM Testimony  
**Subject:** No to House Bill 1744

TESTIMONY FOR PUBLIC HEARING ON HOUSE BILL NO. 1744 FRIDAY MARCH 27, 2009, 9:30AM RELATING TO THE TRANSIENT ACCOMMODATION TAX

Aloha members of the Senate Ways and Means Committee:

I'm writing in strong opposition to House Bill 1744 because of the catastrophic impact it would have on County budgets.

In Hawaii County, we already face a \$31.8 million shortfall in revenue for our upcoming 2009-2010 budget cycle. House Bill 1744 will add approximately \$18 million to our shortfall, forcing the County to cut \$49.8 million from its operating budget.

The County has few options for generating revenue, and the loss of the Transient Accommodation Tax would amount to an additional 5% cut to our operating funds. To make up the difference, tax rates will have to be increased, and government employees will have to be laid off, causing a reduction in service to our citizens and further exacerbating the downward economic spiral.

I strongly urge you to oppose HB 1744.

Thank you for your consideration.

Warmest Aloha,  
Ron Whitmore  
113 Alae St.  
Hilo, HI 96720

## Gina Williams

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**From:** noelani whittington [noelanifarms@hawaii.rr.com]  
**Sent:** Thursday, March 26, 2009 8:04 AM  
**To:** WAM Testimony  
**Subject:** House Bill 1744

Testimony on House Bill 1744.

I oppose the State taking the monies collected from the transient accommodations tax away from the county of Hawaii for the next six years. These monies are needed to promote and support the infrastructure for the planned resort-residential communities along the Kona-Kohala coastline . The part-time residents and guests who frequent these resorts either pay the highest transient accommodations or property taxes in the State. Many are return guest and some own more than one home along this coastline.

It was the State of Hawaii who encouraged these s to invest and expand, attracting international investors who over decades have contributed to the community . Collectively these resorts employ the largest number of people, some who shuttle to and from work on the county bus system from Pahala or Kea'au.

Noelani Whittington  
e-mail: [noelanifarms@hawaii.rr.com](mailto:noelanifarms@hawaii.rr.com)  
cell 443-1768  
PO Box 866  
Volcano Village, Hi 96785  
phone 769-4342

**Gina Williams**

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**From:** Margaret Wille [margaretwille@mac.com]  
**Sent:** Wednesday, March 25, 2009 8:48 PM  
**To:** WAM Testimony  
**Subject:** HB1744 oppose ending TAT to counties

Hearing 3.27.09 Senate Conf room 112 9:30 a.m. Bill 1744

Dear Senate Ways and Means Committee

**Please oppose Bill 1744 which would suspend for 6 years the TAT allotment to the Counties. Back in the 1990's the Counties were promised 95% of these taxes collected by the respective Counties. The Counties were promised these taxes to off set the impact of tourism on the County infrastructure and public facilities. I understand the Counties now only receive 18% of the funds collected from their Counties.**

It is time for the State to be more resourceful and not raid the Counties funds (in fact the County portion of the TAT should be doubled).

WHY HAS THIS STATE NOT PASSED AN INHERITANCE TAX ON THE WEALTHIEST ESTATES .... SUCH AS SHOULD HAVE BEEN DONE BEFORE THE CAMPBELL ESTATE WORTH OVER 800 MILLION WAS DISTRIBUTED???

WHY HAS THE STATE NOT PASSED A SCHOOL IMPACT FEE FOR THE ENTIRE STATE?

WHY IS THIS STATE NOT IN THE LEAD WITH GREEN JOB AND GREEN ALTERNATIVE ENERGY INITIATIVES TO ATTRACT SUSTAINABLE DEVELOPMENT?

WHY NOT REDESIGN LABOR CONTRACTS TO BASE MORE ON ACCOMPLISHMENT RATHER THAN ON SENIORITY --- DURING LAYOFFS?

AND WHY NOT KEEP IN HOUSE MORE STATE WORK AND LESS OUTSIDE CONTRACTS?

WHY NOT TAX REZONINGS OF ALL AG LAND?

and if that does not bring in enough then pass a HIGH STAKES BINGO LAW ..... WHICH IS TIED TO SOCIAL AND ENVIRONMENTAL PROGRAMS.

THEREFORE DON'T TAKE THE COUNTIES TAT FUNDS..

SINCERELY,

MARGARET WILLE  
ATTORNEY AT LAW.  
WAIMEA , BIG ISLAND HAWAII  
808-443-8211