

**SB 1226**

## kim2 - Arline

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**From:** Bob Taylor [Bob@mauidivers.com]  
**Sent:** Thursday, February 26, 2009 11:15 AM  
**To:** WAM Testimony  
**Subject:** Hearing - Friday, February 7, 2009 at 9:00 am - WAM

HEARING: Friday, February 27, 2009  
9:00 a.m.  
Conference Room 211  
State Capitol, Honolulu, Hawaii - 96813

RE: SB 1226, SD1, Relating to Tourism Special Fund

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

Our company has over 500 employees and has been in business in Hawaii for over 50 years. Over 90% of our business is dependent on the number of visitors coming to Hawaii. This is definitely the worse economic crisis that we have ever faced.

**Maui Divers of Hawaii, Ltd. Opposes SB1226, SD1**, which removes the per cent of transient accommodations tax that is deposited into the tourism special fund from 34.2 per cent to a blank per cent. We feel that it is very important that the marketing budget be increased so that more visitors will come to Hawaii.

Sincerely,  
Robert M. Taylor

Bob Taylor  
President & CEO  
Maui Divers of Hawaii, Ltd.  
1520 Liona Street  
Honolulu, Hawaii - 96814  
Phone: (808) 943-8304  
Fax: (808) 946-8460  
Cell: (808) 348-2543



Travel should take you places®

**TESTIMONY OF JERRY GIBSON  
AREA VICE PRESIDENT, HILTON HAWAII  
February 27, 2009**

**RE: SB 1226 SD1 Relating to the Tourism Special Fund**

Aloha, Chair Kim and Senate Committee on Ways and Means. Thank you for holding this hearing and allowing the members of the visitor industry to submit testimony to you.

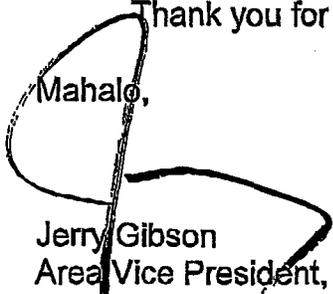
Our Hilton Hawaii portfolio spans four islands: Oahu, Maui, Kauai and the Big Island and represents more than 7,000 hotel guest rooms and timeshare units. Our Hilton Hawaiian Village is the largest hotel in Hawaii with 3,543 hotel and timeshare units.

In the years since the transient accommodations tax (TAT) was introduced, the residents of the State of Hawaii have benefited from the millions of dollars that the fund has provided. Unfortunately, as occupancy levels have severely declined, so has the revenue generated from the TAT. The downturn has necessitated even more marketing dollars to be spent to attract visitors to Hawaii. It's vital that HTA maintains a balance in the Tourism Fund of the Hawaii Tourism Authority to fund marketing initiatives to help attract visitors to Hawaii. We need to be visible in an increasingly competitive marketplace. The U.S. and Hawaii are being faced with the worst economic crisis since the Great Depression. Maintaining this balance in the fund will help Hawaii recover and regain our health in the visitor industry.

We urge the committee to oppose any further reduction in these funds.

Thank you for the opportunity to testify in opposition of SB 1226 SD1.

Mahalo,



Jerry Gibson  
Area Vice President, Hilton Hawaii

# Hilton Hawaii

## FAX MEMO TRANSMITTAL

**Date:** February 26, 2009

**To:** Senate Ways & Means Committee

**Fax Number:** 586-6659

**Number of pages (including cover):**

**From:** Cynthia Rankin, Regional Director of Public Relations  
Hilton Hawaii

**Phone:** 808-947-7817

**Fax:** 808-947-7815

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**Testimony from:** Jerry Gibson, Area Vice President, Hilton Hawaii

**To:** Senate Ways & Means Committee

**For Hearing:** Friday, February 27  
9 a.m.

**Bill #** SB 1226 SD1 Relating to the Tourism Special Fund

**cc:**

Murray Towill

Fax: 924-3842

John Monahan

Fax: 924-0290



David L. Lewin  
General Manager

Hyatt Regency Waikiki Resort & Spa  
2424 Kalakaua Avenue  
Honolulu, Hawaii 96815 USA

Telephone: 808.237.6100  
FAX: 808.237.6114  
Email: dlewin@hyatt.com  
waikiki.hyatt.com

**TESTIMONY OF DAVID LEWIN  
GENERAL MANAGER  
HYATT REGENCY WAIKIKI BEACH RESORT & SPA**

**February 27, 2009  
9:00 am**

**STATE CAPITOL CONFERENCE ROOM 211**

**RE: SB 1226 SD1 Relating to the Tourism Special Fund**

Aloha Chair Kim and members of the Senate Committee on Ways and Means. I am David Lewin, General Manager of the Hyatt Regency Waikiki Beach Resort & Spa.

The Hyatt Regency Waikiki Beach Resort & Spa consists of 1229 rooms and approximately 700 staff and management.

The Hyatt Regency Waikiki Beach Resort & Spa opposes SB 1226 SD1 Relating to the Tourism Special Fund. SB 1226 SD1 currently has a blank percentage of funds going to the Hawaii Tourism Authority ("HTA"). We oppose the potential reduction of the Transient Accommodations Tax ("TAT") funds going to the Tourism Fund of the Hawaii Tourism Authority ("HTA").

When the HTA was created in 1998, 37.9% of the TAT was dedicated to the Tourism Fund. This percentage was agreed upon when the industry agreed to an increase in the TAT in order to fund the HTA. We strongly oppose any further reduction in the funds.

As you know, while tourism prospered in recent years, the TAT revenue increased. With the current downturn in our economy, the TAT revenue and tourism funds provided to HTA has also reduced. In order to stimulate our economy and tourism here in Hawaii, the HTA must focus their efforts on marketing and reducing the TAT funds going to HTA will only compound our problems as a result of the decrease in visitor arrivals.

We urge you to at least restore the percentage of TAT going to the HTA to 34.2% with the hopes of increasing it.

Mahalo for the opportunity to testify.

*February 25,2007*

***TESTIMONY OF STEPHANIE IONA  
General Manager, Waimea Plantation Cottages***

*February 27,2009*

***RE: SB 1226 SD1 Relating to the Tourism Special Fund***

***Aloha Chair Kim and members of the Senate Committee on Ways and Means. I am Stephanie Iona, General Manager of the Waimea Plantation Cottages.***

***I oppose adamantly SB 1226 SD1 Relating to the Tourism Special Fund. I urge you to at least restore the percentage of TAT going into the HTA to 34.2% or better still increase the amount in order to allow HTA to focus on marketing venues to help stimulate our economic recovery.***

***Thank you.***



Maui Hotel & Lodging  
ASSOCIATION

February 26, 2009

The Honorable Donna Mercado Kim, Chair  
Committee on Ways and Means  
The Senate  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

RE: Testimony for SB1226 - Friday, February 27, 2009

Dear Chairman Mercado Kim & Members of the Committee on Ways and Means,

I represent the Maui Hotel & Lodging Association (MHLA) – our membership includes approximately 120 property and allied business members – all of whom have an interest in the visitor industry. Collectively, the visitor industry employs nearly 40% of Maui county residents.

MHLA has concerns in regard to SB1226 entitled Relating to the Tourism Special Fund. We are concerned that there is a blank percent. We believe that 34.2% should be reinstated at the very least and consideration be given to an increased percentage because of the need to increase marketing during these tough economic times.

Tourism is the economic engine for Hawaii. Increased marketing is critical to assist us in our recovery process and will be of benefit to many residents in Hawaii.

We humbly ask for your reassessment of SB1226.

Thank you for your consideration.

Sincerely,

Carol Reimann  
Executive Director

Senator Donna Mercado Kim, Chair  
Senator Shan Tsutsui, Vice Chair  
Committee on Ways and Means



HEARING      Friday, February 27, 2009  
                  9:00 am  
                  Conference Room 211  
                  State Capitol, Honolulu, Hawaii 96813

**RE:    SB 1226, SD1, Relating to the Tourism Special Fund**

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

Retail Merchants of Hawaii (RMH) is a not-for-profit trade organization representing 200 members and over 2,000 storefronts, and is committed to support the retail industry and business in general in Hawaii.

**RMH opposes SB1226, SD1**, which removes the per cent of transient accommodations tax that is deposited into the tourism special fund from 34.2 per cent to a blank per cent.

Since 1998, when the HTA was created, the original 37.9% that was dedicated to the Tourism Fund has been decreased to 34.3%. Given the current state of Hawaii's economy and the declining visitor arrivals, the 34.3% share has already resulted in reduced funds for the HTA programs. SB1226, SD1 proposes to decrease it even further.

This is the time for the HTA and the state of Hawaii to increase tourism marketing in order to regain marketshare and remain top of mind for travelers. This is not the time to cut funding.

Our tourism retailers are experiencing double-digit decreases in sales. Most that had expansion plans in the works have canceled them; some have just shut their doors. Layoffs and declines in job growth are an unfortunate consequence.

**We respectfully request that you further amend SB1226, SD1 to INCREASE the percentage deposited into the tourism special fund at least to the original amount.** Thank you for your consideration and for the opportunity to comment on this measure.

A handwritten signature in black ink, appearing to read 'Carol Pregill', is written in a cursive style.

Carol Pregill, President



LINDA LINGLE  
GOVERNOR  
MARSHA WIENERT  
TOURISM LIAISON

## TOURISM LIAISON

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

Telephone: (808) 586-2362  
Fax: (808) 586-2370

Written statement of  
**MARSHA WIENERT**  
Tourism Liaison  
Department of Business, Economic Development & Tourism  
before the  
**SENATE COMMITTEE ON WAYS AND MEANS**  
Friday, February 27, 2009  
9:00 a.m.  
State Capitol, Conference Room 211

in consideration of  
**SB 1226 SD1**  
**RELATING TO THE TOURISM SPECIAL FUND.**

Chair Kim, Vice Chair Tsutsui and Members of the Senate Committee on Ways and Means.

The Department of Business, Economic Development and Tourism has concerns with SB 1226 SD1, as it leaves blank the percentage of transient accommodations tax (TAT) that is deposited into the tourism special fund.

If the intent of leaving the percentage of TAT funds deposited into the tourism special fund is to reduce the percentage, we have major concerns with SB 1226 SD1. We are concerned that by reducing the amount of TAT that is deposited into the tourism special fund, it could impact critical marketing programs and hinder further revenue generation for our economy through tourism.

The tourism special fund and tourism marketing should be considered as investments in jobs and tax revenue and any decrease in those funds, especially now, could negatively impact our economy.

If the intent in leaving the percentage of TAT funds blank is to increase the percentage deposited into the tourism special fund, then we support the intent of increasing the percentage. The state's economic sustainability plan includes increased tourism marketing and tourism outreach. History shows that in times of economic challenges, increased tourism marketing allows the economy to recover faster.

While we support the intent of increasing the TAT percentage, this has not been taken into consideration in the Executive Biennium Budget and would have to be allowed for if passed.

Thank you for the opportunity to comment on SB 1226 SD1.

## kim4 - Elizabeth

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, February 25, 2009 5:27 PM  
**To:** WAM Testimony  
**Cc:** rodney.ito@marriott.com  
**Subject:** Testimony for SB1226 on 2/27/2009 9:00:00 AM

Testimony for WAM 2/27/2009 9:00:00 AM SB1226

Conference room: 211  
Testifier position: support  
Testifier will be present: No  
Submitted by: Rodney Ito  
Organization: Waikoloa Beach Marriott  
Address: 69-275 Waikoloa Beach Drive Waikoloa, Hawaii  
Phone: 808-886-6789  
E-mail: [rodney.ito@marriott.com](mailto:rodney.ito@marriott.com)  
Submitted on: 2/25/2009

**Comments:**

Aloha Chair Kim and Members of the Senate Committee on Ways and Means. I am Rodney Ito, General Manager of the Waikoloa Beach Marriott Resort & Spa.

The downturn in tourism has negatively impacted the people of the Big Island. Many of our businesses are struggling to stay open and our focus is to keep people employed. We need your help!

Although we are in the midst of very difficult economic times people are still traveling. Other resort destinations are pouring millions of dollars into marketing campaigns. We need to do everything we can to maintain a presence in the market and ensure that the traveling public is aware that we are still open for business. I ask your help in supporting legislation that will help HVCB in funding their on-going marketing efforts and ensure that our BIVB gets their fair share.

Please support bill SB 1226 in maintaining or increasing the percentage of TAT allocated to HTA. It is critical to our economy to support our tourism industry. Jobs and peoples livelihood will depend on it.

Mahalo!



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.hawaiitourismauthority.org](http://www.hawaiitourismauthority.org)

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Testimony of  
**Lloyd Unebasami**  
Interim President and Chief Executive Officer  
Hawai'i Tourism Authority

on  
**S.B. 1226, S.D. 1**  
**Relating to the Tourism Special Fund**

Senate Committee on Ways and Means  
Friday, February 27, 2009  
9:00 a.m.  
Conference Room 211

The Hawai'i Tourism Authority (HTA) is pleased to provide comments on S.B. 1226, S.D. 1 which changes the percent of transient accommodations tax (TAT) revenues deposited into the Tourism Special Fund from 34.2 percent to an unspecified amount.

In 2005, the percentage of TAT revenues deposited into the Tourism Special Fund was increased from 32.6 percent to 34.2 percent to enable the HTA funding to more fully implement the goals and objectives in its recently adopted Hawai'i Tourism Strategic Plan: 2005-2015 (TSP). Since that time, the additional resources have been used by the HTA to provide greater support to the following TSP strategic initiatives: Access (e.g. airline co-op programs), Communications & Outreach, Hawaiian Culture, Natural Resources, Research & Planning, Safety & Security, Tourism Product Development, and Workforce Development. Reducing the percentage of TAT revenues deposited into the Tourism Special Fund will seriously affect the HTA's ability to adequately support these initiatives.

While the HTA would prefer to restore the Tourism Special Fund percentage to its original level of 37.9 percent, the HTA strongly believes that the current level of 34.2 percent should be maintained to enable the agency to carry out its program under the current economic conditions.

Thank you for the opportunity to offer these comments.



**HAWAII HOTEL & LODGING  
ASSOCIATION**

2270 Kalakaua Ave., Suite 1506  
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Website: [www.hawaiihotels.org](http://www.hawaiihotels.org)



31<sup>st</sup> Anniversary  
Are You Walking???  
May 16, 2009  
(Always the 3<sup>rd</sup> Saturday in May)  
[www.charitywalkhawaii.org](http://www.charitywalkhawaii.org)

**TESTIMONY OF MURRAY TOWILL  
PRESIDENT  
HAWAII HOTEL & LODGING ASSOCIATION**

**February 27, 2009**

**RE: SB 1226 SD1 Relating to the Tourism Special Fund**

Good morning Chair Kim and members of the Senate Committee on Ways and Means. I am Murray Towill, President of the Hawaii Hotel & Lodging Association.

The Hawaii Hotel & Lodging Association is a statewide association of hotels, condominiums, timeshare companies, management firms, suppliers, and other related firms and individuals. Our membership includes over 170 hotels representing over 47,300 rooms. Our hotel members range from the 2,523 rooms of the Hilton Hawaiian Village to the 4 rooms of the Bougainvillea Bed & Breakfast on the Big Island.

The Hawaii Hotel & Lodging Association opposes SB 1226 SD1 Relating to the Tourism Special Fund. SB 1226 SD1 currently has a blank percentage of funds going to the Hawaii Tourism Authority ("HTA"). We oppose the potential reduction of the Transient Accommodations Tax ("TAT") funds going to the Tourism Fund of the Hawaii Tourism Authority ("HTA").

When the HTA was created in 1998, 37.9% of the TAT was dedicated to the Tourism Fund. This percentage was agreed upon when the industry agreed to an increase in the TAT in order to fund the HTA. We strongly oppose any further reduction in the funds.

In recent years as tourism has prospered and the TAT revenue increased, the HTA has been able to increase the funding to the diverse activities included in its broad mandate. Unfortunately, the severe economic downturn we are facing is reducing the funds to the HTA due to the falling TAT revenue. The downturn has also increased the need for marketing. While HTA needs to maintain a balance in its funding initiatives, they must once again focus on marketing to help stimulate our economic recovery. Reducing the TAT funds going to the HTA would compound the problems already being created by falling TAT revenue caused by the slowdown in visitor arrivals.

We urge you to at least restore the percentage of TAT going into the HTA to 34.2% and hopefully increase it.

Mahalo again for this opportunity to testify.



Sheraton Princess Kaiulani

Executive Office  
120 Kaiulani Avenue  
Honolulu, Hawaii 96815

**TESTIMONY OF FRED ORR  
CHAIRMAN ELECT  
HAWAII HOTEL & LODGING ASSOCIATION**

**February 27, 2009**

**RE: SB 1226 SD1 Relating to Tourism Special Fund**

Good morning Chair Kim and members of the Senate Committee on Ways and Means. I am Fred Orr, Chairman Elect of the Hawai'i Hotel & Lodging Association.

The Hawai'i Hotel & Lodging Association is a statewide association of hotels, condominiums, timeshare companies, management firms, suppliers, and other related firms and individuals. Our membership includes over 170 hotels representing over 47,300 rooms. Our hotel members range from the 2,523 rooms of the Hilton Hawaiian Village to the 4 rooms of the Bougainvillea Bed & Breakfast on the Big Island.

The Hawai'i Hotel & Lodging Association opposes SB 1226 SD1 Relating to the Tourism Special Fund. SB 1226 SD1 currently has a blank percentage of funds going to the Hawaii Tourism Authority ("HTA"). We oppose the potential reduction of the Transient Accommodations Tax ("TAT") funds going to the Tourism Fund of the Hawaii Tourism Authority ("HTA").

When the HTA was created in 1998, 37.9% of the TAT was dedicated to the Tourism Fund. This percentage was agreed upon when the industry agreed to an increase in the TAT in order to fund the HTA. We strongly oppose any further reduction in the funds.

In recent years as tourism has prospered and the TAT revenue increased, the HTA has been able to increase the funding to the diverse activities included in its broad mandate. Unfortunately, the severe economic downturn we are facing is reducing the funds to the HTA due to the falling TAT revenue. The downturn has also increased the need for marketing. While HTA needs to maintain a balance in its funding initiatives, they must once again focus on marketing to help stimulate our economic recovery. Reducing the TAT funds going to the HTA would compound the problems already being created by falling TAT revenue caused by the slowdown in visitor arrivals.

We urge you to at least restore the percentage of TAT going into the HTA to 34.2% and hopefully increase it.

Mahalo again for this opportunity to testify.

T 808 931 4500  
F 808 931 4510  
sheraton.com/princesskaiulani



February 27, 2009

Hawaii State Capitol  
Senate Committee on Ways and Means  
415 South Beretania Street  
Honolulu, HI 96813

**TESTIMONY OF EDGAR GUM  
GENERAL MANAGER  
MARRIOTT'S KO OLINA BEACH CLUB**

**RE: SB 1226 SD1 Relating to the Tourism Special Fund**

Chairman Kim and members of the Senate Committee on Ways and Means:

My name is Edgar Gum, General Manager of Marriott's Ko Olina Beach Club. Our resort is one of ten Marriott properties in the State of Hawaii that employs over 5,000 associates.

Marriott's Ko Olina Beach Club opposes SB 1226 SD1 Relating to the Tourism Special Fund. This bill would remove the per cent of Transient Accommodations Tax (TAT) that is deposited into the tourism fund from 34.2 per cent to a blank per cent.

At the time that the Hawaii Tourism Authority (HTA) was created, 37.9% of the TAT was dedicated to the Tourism Fund. We strongly oppose any further reduction in this fund.

The HTA has been instrumental in marketing Hawaii as a travel destination. The recent decline in tourism has resulted in a reduction of TAT revenue. Further reducing the TAT funds would provide less monies for the HTA to continue their marketing efforts.

We strongly urge you to hold this bill. Mahalo for the opportunity to provide this testimony.



To: Chairman Kim and members of the Senate Committee on Ways and Means,

Re: Testimony on SB 1226 SD1 - Tourism Special Fund  
February 27, 2009 9:00 am

The Westin Princeville Ocean Resort Villas is a newly opened property on the North Shore of Kaua'i. We are a part of the Starwood Hotels & Resorts Hawaii ohana that currently operates 12 resorts in Hawaii.

I wanted to take this opportunity to let you know that I oppose SB 1226 SD1 relating to the Tourism Special Fund and the blank percentage of funds of the Transient Accommodations Tax (TAT) going to the Tourism Fund of the Hawaii Tourism Authority (HTA).

With the economic downturn and reduction on hotel occupancies, it is important that we stay committed to providing HTA with at least 34.2% if not more. The need for continued marketing that supports our industry is a key initiative that will help us stimulate our economic recovery. Building hotel occupancies will keep staff gainfully employed. Being in a rural community on the North Shore of Kaua'i, we have staff members that are from the same household. When occupancies fall, there are many times those reductions in staffing affect the whole family.

I encourage you to restore the TAT percentage that goes into the HTA Tourism Fund to 34.2% if not more.

Mahalo for your time and for allowing me to testify.

Denise Wardlow  
General Manager

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
SENATE BILL NO. 1226, S.D. 1

February 27, 2009

RELATING TO THE TOURISM SPECIAL FUND

Senate Bill No. 1226, S.D. 1, changes the percentage of transient accommodations tax that is deposited into the tourism special fund from 34.2 percent to a blank percent. Any increase of deposits into the tourism special fund will result in a dollar-for-dollar loss to the general fund. Similarly, decreases to the tourism special fund will result in dollar-for-dollar gains for the general fund.

The Department of Budget and Finance opposes this measure. The department cannot support any measure which has the potential to reduce the general fund's interest in transient accommodations taxation because it would negatively impact the State's general fund financial plan.