

Council Chair
Danny A. Mateo

Vice-Chair
Joseph Pontanilla

Council Members
Gladys C. Baisa
Robert Carroll
Elle Cochran
Donald G. Couch, Jr.
G. Riki Hokama
Michael P. Victorino
Mike White



Director of Council Services
Ken Fukuoka

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.maui-county.gov/council

March 16, 2012

TO: The Honorable Tom Brower, Chair
House Committee on Tourism

The Honorable Karen Awana, Chair
House Committee on International Affairs

FROM: Danny A. Mateo
Council Chair

A handwritten signature in black ink, reading "Danny A. Mateo". The signature is stylized with a large, flowing "D" and "M".

SUBJECT: **HEARING OF MARCH 19, 2012; TESTIMONY IN SUPPORT OF HR 4, URGING
THE GOVERNOR AND THE LEGISLATURE TO PRESERVE THE COUNTIES'
PORTION OF THE TRANSIENT ACCOMMODATIONS TAX**

Thank you for the opportunity to testify in support this important measure. The purpose of this measure is to urge the Governor and the Legislature to preserve the counties' portion of the Transient Accommodations Tax ("TAT").

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 support this measure for the following reasons:

1. There is a clear correlation between the visitors' impact on county infrastructure and returning a fair share of the county-earned TAT revenue to the respective county government. As Maui County begins to see a rise in visitor counts, I am concerned that any reduction to the current distribution of TAT could hinder the County's ability to fully participate in any economic recovery experienced by the State.
2. Reducing the amount of TAT distributed to the counties would create an unfair imbalance as costs associated with an increase in visitor counts within a county would not be offset by a corresponding increase in revenues to that county. If the distribution of TAT does not correspond with rising visitor counts, any increase in infrastructure and public safety costs will undoubtedly fall to the counties.
3. Maui County's primary source of revenue is derived from real property taxes. Therefore, any reduction to the current allocation of TAT revenues distributed to Maui County could unfairly burden real property tax payers.

For the foregoing reasons, I support this measure.

Hawai'i State Association of Counties (HSAC)
Counties of Kaua'i, Maui, Hawai'i & City & County of Honolulu

March 16, 2012

TESTIMONY OF MEL RAPOZO
PRESIDENT, HAWAII STATE ASSOCIATION OF COUNTIES
ON
HOUSE RESOLUTION NO. 4
URGING THE GOVERNOR AND THE LEGISLATURE OF THE
STATE OF HAWAII TO PRESERVE THE COUNTIES' SHARE OF THE
TRANSIENT ACCOMMODATIONS TAX

Committee on Tourism
Committee on International Affairs
Monday, March 19, 2012
9:30 a.m.
Conference Room 312

Dear Chair Brower, Chair Awana, and Committee Members:

Thank you for this opportunity to submit testimony in strong support of H.R. 4. My testimony is submitted in my capacity as President of the Hawai'i State Association of Counties (HSAC).

H.R. 4 was included in the 2012 HSAC Legislative Package, and urges the Governor and the State Legislature to preserve the counties' share of the Transient Accommodations Tax (TAT). In 1990, the Hawai'i State Legislature enacted Act 185, Session Laws of Hawai'i 1990, which gave the counties a share of the TAT for the purpose of providing a more equitable method of sharing State revenues with the counties, rather than continuing the existing system at that time whereby the counties requested financial assistance through "Grants-In-Aid" from the State.

Maintaining the current allocation of the TAT provides a stable revenue source and enables the counties to properly plan when developing their budgets. This will also allow the counties to continue providing essential government programs and services for both residents and visitors alike. Losing any current allocation of the TAT may leave the counties with no choice but to raise property taxes, increase fees, and possibly reduce or eliminate government programs and services.

For the reasons stated above, HSAC is in strong support of H.R. 4 and asks for your favorable support.

Again, thank you for this opportunity to submit testimony.

Sincerely,



MEL RAPOZO
President
Hawai'i State Association of Counties

Council Chair
Danny A. Mateo

Vice-Chair
Joseph Pontanilla

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March 16, 2012

TO: The Honorable Tom Brower, Chair
House Committee on Tourism

The Honorable Karen L. Awana, Chair
House Committee on International Affairs

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

SUBJECT: **HEARING OF MARCH 19, 2012; TESTIMONY IN SUPPORT OF HR 4, URGING
THE GOVERNOR AND THE LEGISLATURE OF THE STATE OF HAWAII TO
PRESERVE THE COUNTIES' SHARE OF THE TRANSIENT ACCOMODATIONS
TAX**

Thank you for the opportunity to testify in support of this important measure. The purpose of this measure is to urge the Governor and the Legislature of the State of Hawaii to preserve the Counties' share of the Transient Accommodations Tax.

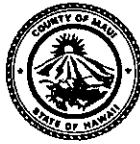
I am aware that the President of the Hawaii State Association of Counties ("HSAC") has submitted testimony, on behalf of HSAC, in support of this measure, which is in the HSAC Legislative Package. As the Treasurer of HSAC, I concur with the testimony submitted by the President, and urge you to support this measure.

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March 17, 2012

TO: Honorable Tom Brower, Chair
Housing Committee on Tourism

Honorable Karen Awana, Chair
Housing Committee on International Affairs

FROM: Robert Carroll
Council Member, East Maui

A handwritten signature in black ink that reads "Robert Carroll".

DATE: Monday, March 19, 2012

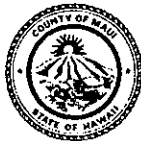
SUBJECT: **SUPPORT OF HR 4, RELATING TO URGING THE GOVERNOR AND THE
LEGISLATURE TO PRESERVE THE COUNTIES, PORTAION OF THE
TRANSIENT ACCOMMODATIONS TAX**

I support HR 4 for the reasons cited in testimony submitted by the Maui County Council Chair, and urge you to support this measure.

Council Chair
Danny A. Mateo

Vice-Chair
Joseph Pontanilla

Council Members
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March 16, 2012

The Honorable Tom Brower, Chair
House Committee on Tourism
Hawaii State Capitol, Conference Room 312
Honolulu, Hawaii 96813

The Honorable Karen L. Awana, Chair
House Committee on International Affairs
Hawaii State Capitol, Conference Room 312
Honolulu, Hawaii 96813

Dear Chair Brower and Chair Awana:

Re: Testimony in Support of HR 4 urging the Governor and Legislature of the State of Hawaii to preserve the Counties' share of the Transient Accommodations Tax (Public Hearing: March 19, 2012 at 9:30 am in Conference Room 312)

As the Lana'i member on the Maui County Council, I would like to offer testimony in support of HR 4. This resolution urges the Governor and the Legislature of the State of Hawaii to preserve the Counties' share of the Transient Accommodations Tax.

I support this resolution. Simply put, Maui County depends on its share of the TAT to fund needed services (e.g. police, water safety, emergency medical, etc.) and projects (e.g. beach access and park improvements) that benefit or are necessitated by visitors to the County. I understand that Maui County Council Chair Danny A. Mateo is submitting testimony in support of this resolution and concur with his position.

Thank you for the opportunity to offer this testimony in support.

Sincerely,

A handwritten signature in black ink, appearing to read "Riki Hokama", is written over a horizontal line.

Riki Hokama, Councilmember- Lana'i

cc: Council Chair Danny Mateo

Council Chair
Danny A. Matco

Vice-Chair
Joseph Pontanilla

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March 16, 2012

TO: The Honorable Tom Brower, Chair
House Committee on Tourism

FROM: Mike White 
Council Member, Makawao - Ha'ikū - Pā'ia

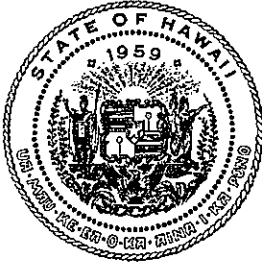
SUBJECT: **HEARING OF MARCH 19, 2012; TESTIMONY IN SUPPORT OF HR 4, URGING THE GOVERNOR AND THE LEGISLATURE OF THE STATE OF HAWAII TO PRESERVE THE COUNTIES' SHARE OF THE TRANSIENT ACCOMODATIONS TAX**

Thank you for the opportunity to testify in **support** of this measure. The Maui County Council has not had the opportunity to take a formal position on this matter and therefore, I am providing this testimony in my capacity as an individual member of the Council.

I support this measure for the following reasons:

1. The original intent of the transient accommodations tax ("TAT") was to raise funds for the construction of the Hawaii Convention Center which primarily benefitted the City and County of Honolulu. Instead of a municipal tax like other visitor destinations, a State tax was imposed on all accommodations. Without direct access to the facilities being constructed on Oahu with visitor industry generated funds, it became especially important for neighbor island counties to receive funds they could utilize to provide enhancements to the visitor industry in their respective communities.
2. A portion of TAT funds are also used for marketing costs to compete against destinations outspending Hawaii. Even with these additional marketing funds, many counties including Maui County have elected to supplementary fund marketing costs to bolster economic activity. Maui County annually contributes over \$3 million to the Maui Visitors Bureau and a loss in the TAT would lead to the elimination of this funding.
3. Since being given a share of the TAT, the funds have become vital to each county in offsetting the greater impact of the visitor industry on county services such as parks, beaches, water, roads, sewage systems and other tourism-related infrastructure.
4. Any reduction in the allocation of TAT revenues distributed to the counties' would unfairly burden residents through increases in real property taxes or other fees to maintain service costs previously offset by the TAT generated by hotels and visitor accommodations in each county.

Thank you for your consideration.



NEIL ABERCROMBIE
Governor

MIKE MCCARTNEY
President and
Chief Executive Officer

Hawai'i Tourism Authority

Hawai'i Convention Center, 1801 Kalākaua Avenue, Honolulu, Hawai'i 96815
Website: www.hawaiitourismauthority.org

Telephone: (808) 973-2255
Fax: (808) 973-2253

Testimony of
Mike McCartney
President and Chief Executive Officer
Hawai'i Tourism Authority
on
H.R. 4
**Urging the Governor and the Legislature of the
State of Hawaii to Preserve the Counties' Share
of the Transient Accommodations Tax**

House Committee on Tourism
House Committee on International Affairs
Monday, March 19, 2012
9:30 a.m.
Conference Room 312

The Hawai'i Tourism Authority (HTA) supports H.R. 4, which urges the Governor and the Legislature to preserve the counties' share of the transient accommodations tax.

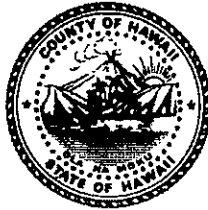
In 1990, Act 185 was enacted to provide a more equitable method of sharing state revenues with the counties, in lieu of grants-in-aid. In passing this law, the Legislature noted that "...many of the burdens imposed by tourism fall on the counties." The growth of the visitor industry mean greater demands on county services, such as providing, maintaining, and upgrading police and fire protection, parks, beaches, water, roads, sewage systems, and other tourism-related infrastructure. The distribution of the TAT to the counties is meant to provide the counties with a "stable and continuing source of revenue... that will enable the counties to provide for their needs." (Conference Committee Report No. 207 (1990)).

The HTA which developed the *Hawai'i Tourism Strategic Plan: 2005-2015* in 2004, with stakeholders in government, industry and the community throughout the state, recognizes that the counties are important partners in achieving the vision of the plan. Specifically, our county partners, and their respective programs and events, are an integral part of maintaining and preserving the Hawai'i brand and enhancing the "experience" of our visitors. This includes the upkeep of counties' parks and beaches as well as the maintenance water, roads, and sewage systems. Additionally, the counties' police and fire departments are very important to the safety and security of Hawai'i's visitors.

Preserving the distribution of the TAT to the counties is important for the ability of the counties to provide these services to the visitor industry as well as contribute to the quality of life for residents.

Thank you for the opportunity to provide these comments in support of H.R. 4.

William P. Kenoi
Mayor



William T. Takaba
Managing Director

Walter K.M. Lau
Deputy Managing Director

County of Hawai'i Office of the Mayor

25 Aupuni Street, Suite 2603 • Hilo, Hawai'i 96720 • (808) 961-8211 • Fax (808) 961-6553
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(808) 323-4444 • Fax (808) 323-4440

March 19, 2012

The Honorable Rep. Tom Brower
Chair, House Committee on Tourism
Hawaii State Legislature
Hawaii State Capitol, Room 315
Honolulu, HI 96813

LATE

RE: House Resolution No. 4, Urging the Governor and the Legislature of the State of Hawai'i to Preserve the Counties' Share of the Transient Accommodations Tax

Aloha Chairman Brower and members of the House Tourism Committee,

The County of Hawai'i humbly requests that you support HR 4, which urges the Hawai'i Legislature and the Governor to preserve the counties' share of the transient accommodations tax.

The counties depend on their respective shares of the transient accommodations tax to assist in the provision of services utilized by residents and visitors. It is vitally important that we have safe roads and clean beach parks, and in the case of emergencies, quick and efficient public health and safety services. The counties also devote corresponding shares of their operating budgets to support the promotion of the visitor industry.

We are committed to maintaining our current level of these services, and the loss of the TAT would only place a much heavier burden on our residents, who would absorb the loss in the form of increased property taxes or painful cuts in other programs or services.

Thank you for this opportunity to comment.

Mahalo

For William Takaba
Managing Director
County of Hawaii