

STAND. COM. REP. NO. 172

Honolulu, Hawaii  
FEB 12 2021

RE: S.B. No. 139  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism,  
to which was referred S.B. No. 139 entitled:

"A BILL FOR AN ACT RELATING TO THE TRANSIENT ACCOMMODATIONS  
TAX,"

begs leave to report as follows:

The purpose and intent of this measure is to revise the  
county allocations of transient accommodations tax revenues to  
reflect the growth in population of each respective county,  
including Kauai county, Hawaii county, the city and county of  
Honolulu, and Maui county to take effect July 1, 2021.

Your Committee received testimony in opposition to this  
measure from the Hawaii State Association of Counties. Your  
Committee received comments on this measure from the Department of  
Budget and Finance, Office of the Mayor of Maui County, Tax  
Foundation of Hawaii, and Kohala Coast Resort Association.

Your Committee finds that it is important to provide a  
fairer, more consistent, and reliable allocation of transient  
accommodations tax revenues to the counties. Your Committee  
further finds that many of the burdens imposed by tourism fall on  
the counties and increased pressures of the visitor industry means  
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.

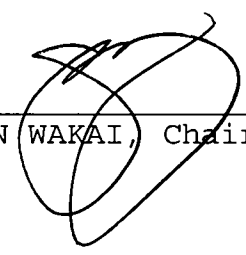
Your Committee further finds that basing the allocation of transient allocation funds on the number of visitor arrivals, rather than population growth, better reflects the impact that the visitor industry places on county services, ultimately providing a more equitable distribution of the transient accommodations tax to each county.

Therefore, your Committee has amended this measure by:

- (1) Changing the allocation of transient accommodations taxes to each county based on the number of annual visitor arrivals for each respective county;
- (2) Requiring the statistics used for allocation of the transient accommodations tax to be updated annually and taken from the Hawaii Tourism Authority and State Data Book; and
- (3) Requiring each respective county to report annually to the legislature, no later than twenty days prior to the convening of each regular legislative session, describing how the transient accommodations tax allocation was spent.

As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 139, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 139, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Energy, Economic  
Development, and Tourism,

  
\_\_\_\_\_  
GLENN WAKAI, Chair



The Senate  
Thirty-First Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Energy, Economic Development, and Tourism**  
**EET**

Bill / Resolution No.:* <div style="font-size: 1.5em; font-family: cursive;">SB 139</div>	Committee Referral: <div style="font-size: 1.5em; font-family: cursive;">EET, WAM</div>	Date: <div style="font-size: 1.5em; font-family: cursive;">2/3/21</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312         </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311         </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310         </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313         </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	X			
MISALUCHA, Bennette E. (VC)	X			
LEE, Chris	X			
RIVIERE, Gil	X			
FEVELLA, Kurt				X
<b>TOTAL</b>	4	0	0	1
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <input checked="" type="checkbox"/> Adopted           <input type="checkbox"/> Not Adopted         </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; text-align: center;">G. Riviere</div>				
<b>Distribution:</b> <div style="display: flex; justify-content: space-between; font-size: 0.8em; margin-top: 5px;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>				

**\*Only one measure per Record of Votes**