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COUNTY COUNCIL

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April 3, 2017

TO: The Honorable Sylvia Luke, Chair
House Committee on Finance

FROM: Mike White
Council Chair

A handwritten signature in black ink, appearing to read "Mike White", is written over the printed name and title.

SUBJECT: **HEARING OF APRIL 4, 2017; TESTIMONY IN OPPOSITION OF HCR 169, REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO CONVENE AN ECONOMIC DEVELOPMENT AND TAX REFORM WORKING GROUP TO STUDY, AMONG OTHER THINGS, THE ECONOMIC OUTCOME OF TRANSFERRING THE AUTHORITY TO TAX REAL PROPERTY TAX BACK TO THE STATE AND ALLOCATING A PORTION OF GENERAL EXCISE TAX REVENUES TO THE COUNTIES**

Thank you for the opportunity to testify in **strong opposition** of this measure.

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. At the 1978 Constitutional Convention, it was recognized that counties should have more home rule. Real property taxes were established to be exclusively for county government use and it remains the only mechanism where counties have the sole authority to generate revenue to fund county services.
2. The notion that the State would even begin the conversation to remove the counties sole taxing authority is unreasonable and unjustifiable. It appears that this study will determine the easiest way for the State to generate the most revenue and leave the counties with any scraps.
3. The legislature already gives the counties a very challenging time every year with a vital source of revenue, the transient accommodations tax. A previous working group was established by the State legislature to study the TAT split between the State and the counties. It was determined that a split of 45 percent should be allocated to the counties and 55 percent to the State. However, the State legislature declined to listen to the working group's advice and even disputed their findings.
4. Therefore, the creation of yet another working group is unnecessary and simply a waste of time and tax payer dollars.

For the foregoing reasons, I **oppose** this measure.