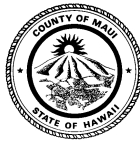


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Vice-Chair  
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February 5, 2018

TO: The Honorable Richard H.K. Onishi, Chair  
House Committee on Tourism

FROM: Mike White  
Council Chair

SUBJECT: **HEARING OF FEBRUARY 6, 2018; OFFERING COMMENTS ON HB 2266, RELATING TO THE TRANSIENT ACCOMMODATIONS TAX**

Thank you for the opportunity to offer **comments** on this important measure. The purpose of this bill is to amend the amount of transient accommodations tax revenues remitted to the counties and to restrict its use.

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 the counties receiving additional TAT, but oppose restricting its use for the following reasons:

1. From Fiscal Year 2007 to 2017, the four counties collectively received a mere \$2.2 million increase in TAT, while expenses for fire, police, and park services alone have increased by more than \$260 million.
2. During the same period, the State's annual share of TAT revenue has increased by more than \$220 million. This is because of the arbitrary cap placed on the counties' share to help balance the State's budget during an economic downturn was never removed.
3. The cost of visitor industry related expenditures are rising at a pace far exceeding what the counties' are allocated. This includes collective bargaining increases and the growing burdens of a booming visitor economy.
4. Now more than ever, with counties receiving less than their fair share of TAT revenues, flexibility is needed to spend TAT revenues on priorities as deemed by each county. Similarly, the State has no restrictions on how the TAT allocated to the general fund is spent.

Please consider my comments in your deliberation on this bill.

Mahalo.

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