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February 21, 2020

TO: The Honorable Donovan M. Dela Cruz, Chair
Senate Committee on Ways and Means

FROM: Alice L. Lee
Council Chair

SUBJECT: **HEARING OF FEBRUARY 25, 2020; TESTIMONY IN OPPOSITION TO SB 2054, SD 1, RELATING TO INFRASTRUCTURE IMPROVEMENT DISTRICTS**

Thank you for the opportunity to testify in **opposition** to this important measure. The purpose of this measure is implement a constitutional amendment to allow the legislature to establish a surcharge on taxation of certain property within an infrastructure improvement district.

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. The counties have the exclusive authority to tax real property, and any exceptions set an unwelcome precedent to future intrusions by the State into the counties' primary source of revenue.
2. The State has several other taxation mechanisms. The State should use the taxation tools already in place.

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

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