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February 9, 2021

TO: Honorable Sean Quinlan, Chair
House Committee on Economic Development

FROM: Alice L. Lee
Council Chair

DATE: February 10, 2021

SUBJECT: **OPPOSITION TO HB 1208, RELATING TO TAXATION**

Thank you for the opportunity to testify in **OPPOSITION** to this important measure. The purpose of this measure is to propose an amendment to the Hawaii State Constitution to repeal the exclusive power of the counties as to the functions, powers, and duties relating to the taxation of real property and authorize the State to also exercise those functions, powers, and duties.

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. Real property taxes are counties' primary and largest source of revenue to fund county programs. The counties must account for raising expenses and reduced revenue.
2. The State has far more taxing authority than the counties and should be able to handle any increased need for funds. This measure ignores the importance of the community's right to decision making.
3. With the economy down and all levels of government struggling to maintain vital services, now is not the time to arbitrarily and callously take funds away from the counties.

For the foregoing reason, I **OPPOSE** this measure.