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David Y. Ige
Governor

Chris Tatum
President and Chief Executive Officer

Statement of
CHRIS TATUM

Hawai'i Tourism Authority
before the
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

Wednesday, March 20, 2019
3:00PM
State Capitol, Conference Room #414

In consideration of
HOUSE BILL NO 908 HD2
RELATING TO TRANSIENT ACCOMMODATIONS TAX.

Chair Wakai, Vice Chair Taniguchi, and members of the Senate Committee on Energy, Economic Development, and Tourism: The Hawai'i Tourism Authority (HTA) is in **support of** House Bill 908 HD2, which proposes to allocate funds from transient accommodations tax (TAT) revenues to HTA to implement initiatives, in conjunction with the Hawaii Lodging and Tourism Association, to address homelessness in tourist and resort areas, provided no funds are released without dollar-for-dollar matching by the private sector.

As the State agency tasked with strategically managing, marketing and developing Hawai'i's visitor industry, HTA agrees that it is important to address homelessness in the State. A substantial homeless population affects the tourism industry. Our residents, visitors and homeless population deserve a coordinated effort on these issues. HTA supports the intent of the bill to address homelessness, strengthen our communities and maintain a positive experience for Hawai'i's visitors.

Last year, the Legislature passed House Bill 2010, which established the funding to HTA for the fiscal year 2018-19. Since then, we have worked collaboratively with the Hawaii Lodging and Tourism Association to implement and support homelessness initiatives. This bill would allow us to continue the partnership we've developed with the HLTA to positively impact homelessness in our resort and tourist areas.

We appreciate this opportunity to provide testimony in support of HB908 HD2.



HAWAI'I LODGING & TOURISM
A S S O C I A T I O N

Testimony of

Mufi Hannemann
President & CEO

Hawai'i Lodging & Tourism Association

Committee on Energy, Economic Development, and Tourism
March 20, 2019

House Bill 908, Relating to the Transient Accommodations Tax

Chair Wakai and members of the Committee, mahalo for the opportunity to submit testimony on behalf of the Hawai'i Lodging & Tourism Association, the state's largest private sector visitor industry organization.

The Hawai'i Lodging & Tourism Association—nearly 700 members strong, representing more than 50,000 hotel rooms and nearly 40,000 lodging workers — **supports** House Bill 908 which allocates funds, from TAT revenues if it is matched by the private sector for homelessness solutions. Specifically, we support that the bill recognizes the partnership between HTA and HLTA in seeking to implement initiatives to address homelessness in tourism impacted areas throughout the state.

Homelessness is particularly acute in Waikiki but is prevalent throughout popular public parks, beaches and facilities used by residents and visitors alike in Hawai'i. It has a direct impact on the visitor experience, is a source of frustration for local residents, and poses a very difficult and often dangerous existence for the homeless.

The hospitality industry, through our association and member hotels and businesses, has contributed over \$2.5 million during the last five years to social service agencies on our largest islands, specifically for homelessness outreach and services. These funds have come from a collaborative effort put forth by the hospitality industry which include monies from our charity walks on Oahu, Hawai'i Island, Kaua'i, and Maui as well as funds raised from the Hilton Hawaiian Village's Hawai'i for Hawai'i Benefit Concert. In 2018, our Charity Walk raised and distributed over \$364,000 to 44 non-profit programs, throughout the state, dealing with homelessness. Agencies and charitable non-profits that have had direct impact from these donations include Hale Kipa, Corvette Center Ministries, Surfing the Nations, Catholic Charities Hawai'i, the Salvation Army, and Mental Health Kokua.

As an industry, we have additionally developed a very productive partnership with the IHS, which helps the homeless in Waikiki, including outreach efforts, repatriation and van transportation so they can access vital services. As a result of our firm belief that homelessness is not just a Honolulu-centric challenge, we also gave grants to non-profits on each of the neighbor island counties. In 2017 we contributed \$10,000 to HOPE Services Hawai'i Inc. and \$15,000 to Hawai'i Rise Foundation to help fund homelessness programs on Hawai'i Island. In 2016 we awarded Kaua'i Economic Opportunity \$25,000, and Maui Family Life Center \$25,000 the year before to help make repatriating homeless back to their families or caregivers on the mainland an objective.

We are grateful to the State Legislature for passage of a similar measure in 2018, as we have since worked with the Hawaii Tourism Authority to establish a Memorandum of Agreement to distribute a large portion of the allotted funds to the 44 non-profits who have received funding from our 2018 Visitor Industry Charity Walk. The monies have just been released from the administration, and we are now in the final step of the process: distributing the funds.

Moving forward, the members of the Hawai'i Lodging & Tourism Association will continue to fund-raise and donate money through our Visitor Industry Charity Walk and other endeavors to help the homeless population. We appreciate the support from the State Legislature in helping us make this an emerging and important public-private partnership.

Mahalo.

HB-908-HD-2

Submitted on: 3/17/2019 4:07:55 PM

Testimony for EET on 3/20/2019 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
JOY SCHOENECKER	Individual	Oppose	No

Comments:

I Oppose this bill

HB-908-HD-2

Submitted on: 3/16/2019 2:04:23 PM

Testimony for EET on 3/20/2019 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Stephanie Donoho	Testifying for Kohala Coast Resort Association	Support	No

Comments:



Maui Hotel & Lodging

ASSOCIATION

Testimony of

Lisa H. Paulson

Executive Director

Maui Hotel & Lodging Association

on

HB 908 HD 2

Relating To The Transient Accommodation Tax

COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT AND TOURISM

Wednesday, March 20, 2019, 3:00 pm

Conference Room 414

Dear Chair Wakai, Vice Chair Taniguchi and Members of the Committee,

The Maui Hotel & Lodging Association (MHLA) is the legislative arm of the visitor industry. Our membership includes 195 property and allied business members in Maui County – all of whom have an interest in the visitor industry. Collectively, MHLA's membership employs over 25,000 residents and represents over 19,000 rooms. The visitor industry is the economic driver for Maui County. We are the largest employer of residents on the Island - directly employing approximately 40% of all residents (indirectly, the percentage increases to 75%).

MHLA is **in support of HB908 HD2**, which allocates and appropriates funds from transient accommodations tax revenues to the Hawaii Tourism Authority to implement initiatives, in conjunction with the Hawaii Lodging and Tourism Association, to address homelessness in tourist and resort areas. Requires the Hawaii Tourism Authority to report to the Legislature. (HB908 HD2)

MHLA supports funding for services for the homeless and believe it is one of our biggest challenges in our community. Every year through our Maui County Charity Walks we donate funds to organizations that assist with our homeless and houseless residents in Maui County: Maui Family Life Center, Feed My Sheep, Habitat for Humanity, Hale Kau Kau, Keiki Cupboard, Salvation Army, and Women Helping Women to name a few. But despite our best efforts to fund the many organizations that need support, the needs of this growing population continue to outweigh the resources.

The members of the Maui Hotel & Lodging Association will continue to fund-raise and donate money through our Visitor Industry Charity Walk and other endeavors to help the homeless. We look forward to having the state government, through this legislation, augment our efforts as a direct participant in what should be an important public-private partnership.

Thank you for the opportunity to testify.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TRANSIENT ACCOMMODATIONS, Earmark Funds to Address Homelessness

BILL NUMBER: HB 908, HD-2

INTRODUCED BY: House Committees on Tourism & International Affairs and Human Services & Homelessness

EXECUTIVE SUMMARY: Adds yet another earmark to the TAT to address homelessness. Earmarks in general decrease transparency and accountability, and should be avoided.

SYNOPSIS: Amends section 237D-6.5, Hawaii Revised Statutes, to provide that \$_____ per year shall be allocated to the Hawaii tourism authority to implement initiatives, in conjunction with the Hawaii Lodging and Tourism Association, to address homelessness in tourist and resort areas; provided that no funds shall be released unless matched dollar-for-dollar by the private sector. The funds are to be used for the provision of social services.

Requires Hawaii Tourism Authority to submit a report to the legislature at least twenty days prior to the convening of the regular session of 2019, which shall include: (1) the current status of any initiative implemented during the three-year period prior to the date of the report, in conjunction with the Hawaii Lodging and Tourism Association, to address homelessness in tourist and resort areas, including the costs thereof, source of funding, and participating entities; and (2) the current status of any plans to implement future initiatives, in conjunction with the Hawaii Lodging and Tourism Association, to address homelessness in tourist and resort areas, including the estimated costs thereof, potential sources of funding, other than legislative appropriations, and anticipated participating entities.

EFFECTIVE DATE: July 1, 2009.

STAFF COMMENTS: As with any earmarking of revenues, the legislature will be preapproving each of the initiatives fed by the tax earmark, so expenses from the funds largely avoid legislative scrutiny, and the effectiveness of the programs funded becomes harder to ascertain. It is also difficult to determine whether too little or too much revenue has been diverted from other priorities in the state budget.

If the legislature deems the programs and purposes funded by this special fund to be a high priority, then it should maintain the accountability for these funds by appropriating the funds as it does with other programs. Earmarking revenues merely absolves elected officials from setting priorities. If the money were appropriated, lawmakers would have to evaluate the real or actual needs of each program.

Digested 3/15/2019

HB-908-HD-2

Submitted on: 3/15/2019 9:25:39 PM

Testimony for EET on 3/20/2019 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lois Crozer	Individual	Support	No

Comments:

HB-908-HD-2

Submitted on: 3/17/2019 1:48:52 PM

Testimony for EET on 3/20/2019 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Steven Melling	Individual	Oppose	No

Comments:

HB-908-HD-2

Submitted on: 3/17/2019 9:00:52 PM

Testimony for EET on 3/20/2019 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mary Smart	Individual	Oppose	No

Comments:

Vote no. Many local residents who invested in our State pay the TAT. It is another oppressive tax imposed by uncaring Senators and House Representatives. TAT does not just affect tourists. This tax makes it more difficult to reap any profit from an investment. These profits are what keeps your local residents from becoming homeless. Sometimes, there is no profit -- only debt yet, the TAT must still be paid. Our State and County already has funds to address the homeless problem. Millions are spent. We don't need yet another agency duplicating effort. When everyone is responsible, no one is responsible. I am reading bill after bill that were written fix the homeless problem. We already have numerous programs and yet our homeless numbers are not getting better. Throwing more money on the problem is not the solution. Do not pass HB 908 HD2.

HB-908-HD-2

Submitted on: 3/17/2019 9:26:01 PM

Testimony for EET on 3/20/2019 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
SUSAN P HUGHES	Individual	Oppose	No

Comments:

HB-908-HD-2

Submitted on: 3/18/2019 9:02:38 AM

Testimony for EET on 3/20/2019 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Brandon Allen Kainoa Leong	Individual	Oppose	No

Comments:

Oppose

HB-908-HD-2

Submitted on: 3/19/2019 9:55:16 AM

Testimony for EET on 3/20/2019 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Brett Kulbis	Individual	Oppose	No

Comments:

As with any earmarking of tax dollars, lawmakers are preapproving any initiatives paid from this earmark. Earmarking tax dollars just absolves elected officials from setting priorities. If the money were appropriated, lawmakers would have to evaluate the real or actual needs of each program to be funded.

HB-908-HD-2

Submitted on: 3/19/2019 12:44:02 PM

Testimony for EET on 3/20/2019 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael	Individual	Oppose	No

Comments: