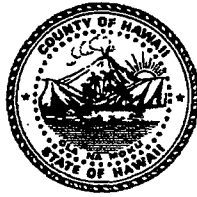


**LATE**

**HB 1744**

William P. Kenoi  
Mayor



**LATE**

Nancy E. Crawford  
Director

Deanna S. Sako  
Deputy Director

## County of Hawaii

### Finance Department

25 Aupuni Street, Room 118 • Hilo, Hawaii 96720  
(808) 961-8234 • Fax (808) 961-8248

March 27, 2009

The Honorable Donna Mercado Kim, Chair  
and Members of the Senate Committee on Ways and Means  
Hawai'i State Capitol  
415 South Beretania Street  
Honolulu, Hawai'i 96813

Dear Chair Kim and Members of the Committee:

RE: Testimony in Opposition to House Bill No. 1744 HD1  
Hearing Friday, March 27, 2009, at 9:30 a.m., Conference Room 211

Hawai'i County strongly opposes H.B. 1744 HD1, which seeks to suspend the distribution of transient accommodations tax revenues to the counties. Transient accommodations tax (TAT) is the second largest source of revenue for the County of Hawai'i.


We have prepared a balanced budget for next fiscal year that includes \$18 million revenue from TAT. Due to reduced property values, real property tax, our primary source of revenue, is significantly reduced. We are making substantial cuts throughout our budget, taking reserve funds, un-funding vacant positions and taking other actions to balance our general fund budget, which started with a \$32 million shortfall from the current year.

We anticipate that we will have to make additional adjustments due to decreased tourism revenue, but to lose \$18 million of revenue would be catastrophic to the County. TAT revenues support essential public services such as police, fire rescue lifeguards and solid waste management. Loss of services in these areas will negatively impact the public health, safety and welfare of our community.

The Big Island is a major draw for visitors coming to Hawai'i. We incur costs providing services to those tourists. The County also supports the tourism industry in many direct ways, including support of cultural events and grants for various programs.

Thank you for your attention to our concerns. We urge your opposition to HB 1744 HD1.

Sincerely,

  
Nancy Crawford  
Director of Finance

**Bernard P. Carvalho Jr.**  
Mayor



**Gary K. Heu**  
Administrative Assistant

**LATE TESTIMONY** **OFFICE OF THE MAYOR**  
County of Kaua'i, State of Hawai'i  
4444 Rice Street, Suite 235, Lihu'e, Hawai'i 96766  
TEL (808) 241-4900 FAX (808) 241-6877

**TESTIMONY OF THE COUNTY OF KAUA'I DIRECTOR OF FINANCE**

**TO SENATE COMMITTEE ON WAYS AND MEANS  
TWENTY-FIFTH LEGISLATURE  
REGULAR SESSION OF 2009**

March 27, 2009

**TESTIMONY ON HB 1744, HD1 RELATING TO TRANSIENT ACCOMMODATIONS TAX**

**TO THE HONORABLE DONNA MERCADO KIM, CHAIR, AND MEMBERS OF THE  
COMMITTEE:**

My name is Wallace Rezendes, Jr, Finance Director of the County of Kauai, providing testimony in strong opposition to HB 1744, HD1.

The County opposes this Bill which would suspend for six years effective July 1, 2009 to June 30, 2015 the distribution of Transient Accommodations Tax (TAT) revenues to the counties.

The TAT is a significant source of revenue for the County, and provides funding that supports public facilities and services which are used by residents and visitors alike. County revenues generated from real property taxes and other sources are not sufficient to cover our operating budget. Kaua'i County's funding share of the TAT collection has been approximately \$14 million per year. Over the past two fiscal years, TAT revenues made up 13.4% of the County's general fund revenue sources.

TAT revenues provided to the County support essential public services such as police, fire rescue and lifeguards as well as infrastructure improvements including but not limited to parks and roads.

We understand the difficulty that the State is experiencing and have already proactively projected for a considerable reduction in TAT collections resulting from the current economic down turn. However, the complete elimination of TAT revenues will have catastrophic consequences on our operating budget and result in the need to curtail and possibly eliminate services that will negatively impact the public health, safety and welfare of our residents and visitors.

Thank you for the opportunity to present my comments in opposition to HB 1744.

**TESTIMONY OF HAWAII COUNTY COUNCIL  
VICE-CHAIR, PETE HOFFMANN  
TO SENATE WAYS AND MEANS COMMITTEE  
PUBLIC HEARING ON HOUSE BILL NO. 1744  
FRIDAY, MARCH 27, 2009  
RELATING TO TRANSIT ACCOMMODATION TAX**

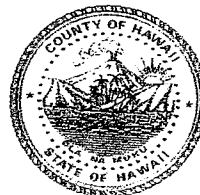
**LATE**

- difficult times demand fiscal prudence and common sense.
- House Bill 1744 makes Hawaii County's fiscal efforts incapable of meeting even our limited budgetary objectives.
- To meet an additional \$18M shortfall, taxes must be raised and job losses become inevitable. How can job losses contribute to consumer confidence or assist an ailing economy? How can either be considered fiscally prudent?
- Are the Counties not partners with the State in this economic crises? Are we not considered part of the solution rather than simply a revenue source? How can exacerbating the Counties problems contribute to fiscal responsibility? How can anyone not see the myth/fallacy in a philosophy that seeks to balance the State's budget while handicapping the County's budgets?
- A sales tax would be a poor substitute. It would tax everyone, would do nothing to increase consumer confidence, and if sales remain depressed a sales tax would not bring in sufficient revenue to offset TAT lose.
- Common sense is lacking here, and while HB 1744 offers a solution, it is a false hope that would drive the State and the Counties into even further economic difficulties.
- Please reject this ill-advised concept for budget balancing and seek other solutions that assist all state residents.

# LATE

**Talking points to oppose HB 1744 which would suspend TAT  
(transient accommodations tax) to all counties for 6 years  
beginning July 1, 2009**

- ✓ **Revenues derived from hotel room tax are to help support our number one economic industry - TOURISM! The County needs this revenue to maintain, protect and enhance our visitor experience.**
  - a. **The County of Hawaii funds, maintain and provide opportunities for recreation that is utilized and covered by our tourist industry. (beaches, parks, roads, etc)**
  - b. **The County of Hawaii funds and maintains services utilized by our tourism market such as police, mass transit, fire, and recreational safety officers such as lifeguards.**
  - c. **The County of Hawaii supports employees of our tourist industry by providing free cross island busing that services all the major hotels in East and West Hawaii.**
  
- ✓ **Suspension of the County TAT over the next 6 years would have a devastating effect on our operation budget.**



County of Hawai'i  
25 Aupuni Street  
Hilo, Hawai'i 96720

**GUY ENRIQUES**  
Hawai'i County Council  
Council Member, District 6  
Upper Puna - Ka'u - South Kona

Tel: (808) 961-8263  
Cell: (808) 217-2253  
Fax: (808) 961-8912  
Email: [genriques@co.hawaii.hi.us](mailto:genriques@co.hawaii.hi.us)

- a. An \$18 million reduction in operating revenues would turn our County budget into total chaos. We are already facing a \$31.9 million shortfall, and this revenue reduction would lead to massive employee layoffs and increased taxation.**
- b. Big Island is already experiencing a high unemployment rate, and this would drastically enhance our precarious economic climate. LIncrease taxation at time when our island residents are trying to survive in a challenging economic time**
- c. The County of Hawaii does not have any bill payer method to offset an \$18 million reduction in projected revenues. This loss in revenues will lead to a tremendous loss in service to the public, programs being cut, and reduced health and safety for the people of our island.**

**In summary, the TAT is essential for the County of Hawaii to operate and provide essential day to day service to the people of our island. Our legislators must understand that the consequences of not funding the TAT will be catastrophic to the people of our island. Health and Safety will be compromised, and our visitor industry and visitor experience will suffer tremendously.**



# Hawaii Island Chamber of Commerce

# LATE

106 Kamehameha Avenue  
Hilo, Hawaii 96720  
Phone: (808) 935-7178  
Fax: (808) 961-4435  
E-mail: admin@hicc.biz  
[www.hicc.biz](http://www.hicc.biz)

March 27, 2009

## 2008-09 Board

### *President*

Barbara A. Hastings

### *President-Elect*

Mary Begier

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Irene Nagao

Robert Charles Porter

Marcia Sakai

Ron Schurra

Alice Sledge

Mele Spencer

Art Taniguchi

Richard Toledo

Steve Ueda

Jere Usui

Carol Van Camp

Senator Donna Mercado Kim, Chair  
Ways & Means  
415 S. Beretania St.  
Honolulu HI 96813

Dear Senator Kim and Committee Members:

I am Mary Begier, chairperson of the Government Affairs Committee of the Hawaii Island Chamber of Commerce. We represent our over 325 companies and 700 members. I come here today to speak of grave concern with proposed HB 1744 HD1.

Businesses have spoken with concern regarding the various revenue sharing plans that have occurred over time between the State of Hawaii and the Counties. There is at least a nexus between the Transient Accommodations Tax and the work and support that the counties provide to our visitors through the maintenance of parks, roads, police and fire protection to name a few. For this reason it seemed logical for the TAT to be a vehicle. It doesn't make reasonable business sense as it is to make the counties negotiate their share of state revenue every year but to propose an idea that would remove the lions share of their budgets by taking away the TAT at this stage in the budgeting process seems downright cruel to the citizens. If you were a county leader what would you do?

We are opposed to HB 1744 HD1. Thank you for the opportunity to testify.

Sincerely,

Mary Begier  
Chair GAC



**HAWAII HEALTH SYSTEMS**  
C O R P O R A T I O N

*"Touching Lives Every Day"*

**LATE**

**The Senate Committee on Ways and Means  
Senator Donna Mercado Kim, Chair  
Senator Shan S. Tsutsui, Vice Chair**

Friday, March 27, 2009  
9:30 a.m.  
Conference Room 211  
Hawaii State Capitol

**Testimony in Support of HB 1744, HD1 – Relating to Transient Accommodations  
Tax**

*Suspends for 6 years from 07/01/2009 to 06/30/2015 the distribution of transient  
accommodations tax revenues to the counties. Effective 7/01/2020.*

Thomas M. Driskill, Jr.  
President and Chief Executive Officer  
Hawaii Health Systems Corporation

On behalf of the Hawaii Health Systems Corporation (HHSC) Corporation Board of Directors, thank you for this opportunity to provide testimony in support of HB 1744, HD1 that temporarily suspends the distribution of transient accommodations tax revenues to the counties.

We support all efforts of the legislature to find ways to cover the state budget shortfalls and consideration of all options. We support passing this measure forward to allow further discussion.

3675 KILAUEA AVENUE • HONOLULU, HAWAII 96816 • PHONE: (808) 733-4020 • FAX: (808) 733-4028

HILO • HONOKAA • KAU • KONA • KOHALA • WAIMEA • KAPAA • WAILUKU • KULA • LANAI • HONOLULU  
[www.hhsc.org](http://www.hhsc.org) <<http://www.hhsc.org>>



**LATE**

Ways and Means Fax: 586-6951

Supporting HB 1174  
Hearing Date: Friday March 27, 2009  
9:30 AM  
Conference Room 211

Dear Senator Donna Kim,

I support HB 1744. Given the tough economic times the spirit and content of this Bill is an approach to looking for bold solutions to balance our State Budget. I think exploring as many options as possible to solve our budget situation will open up dialog needed to balance our Budget.

Aloha,

Gerald De Mello

**kim2 - Arline**

---

**From:** Serrao, Mona [RSerrao@co.hawaii.hi.us]  
**Sent:** Friday, March 27, 2009 8:14 AM  
**To:** WAM Testimony  
**Subject:** HB 1744

*Aloha Chairperson Kim, Vice Chairperson Tsutsui, and members of the Senate Ways and Means Committee:*

*I understand our finance department is projecting a \$31.8 million shortfall in revenue for our upcoming 2009-2010 budget cycle. House Bill 1744, if adopted will have catastrophic consequences for the County of Hawai'i. This bill will add \$18 million to our shortfall causing tax rates to be increased and government employees to be laid off causing a reduction in service to our citizens. I am an employee with the County of Hawai'i Department of Finance (VRL Division) and our department is one of the busiest offices in County Government. If the County of Hawai'i is forced to resort to laying off employees it will create panic and incalculable damage to an already fragile and struggling economy.*

*I urge you in the strongest terms possible to oppose HB 1744 and to look to other areas to adjust State income levels and reduce State spending that will not have such an immediate and drastic impact on the County of Hawai'i. Thank you for your consideration in this matter.*

*Mona Serrao*

*County of Hawaii  
Vehicle Registration & Licensing*

kim2 - Arline

**LATE**

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, March 27, 2009 5:08 AM  
**To:** WAM Testimony  
**Cc:** bobbpike@lycos.com  
**Subject:** Testimony for HB1744 on 3/27/2009 9:30:00 AM

Testimony for WAM 3/27/2009 9:30:00 AM HB1744

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Robert Pike  
Organization: Individual  
Address: 18 4325 N Glenwood Rd. Volcano, Hawaii  
Phone: 808 990 3955  
E-mail: [bobbpike@lycos.com](mailto:bobbpike@lycos.com)  
Submitted on: 3/27/2009

Comments:

**LATE**

**kim2 - Arline**

---

**From:** Serrao, Mona [RSerrao@co.hawaii.hi.us]  
**Sent:** Friday, March 27, 2009 7:54 AM  
**To:** WAM Testimony  
**Subject:** HOUSE BILL 1744

*Aloha Chairperson Kim, Vice Chairperson Tsutsui, and Members of the Senate Ways and Means Committee*

*As an employee of the County of Hawaii and member of HGEA, I strongly oppose House Bill 1744. Thank you for your attention to this matter.*

*Leilani M Los Banos  
County of Hawaii  
Vehicle Registration & Licensing*

kim2 - Arline

**LATE**

**From:** Kekahuna, Ann [akekahuna@co.hawaii.hi.us]  
**Sent:** Friday, March 27, 2009 7:58 AM  
**To:** WAM Testimony  
**Subject:** Transient Accommodation Tax Payments to Counties

Dear Senate Ways & Means Committee,

With all the takeaways, talk of furloughs, health insurance premium increases and the overall bad economy in our State, government workers are running scared. I am asking that you do not take away another 18 million dollars from the County of Hawaii budget by suspending the Transient Accommodation Tax Payments to the Counties.

We may be a Big Island but we have a small budget and very few ways to raise revenue at our disposal.

More money removed from our budget will mean more belt tightening within the County and many of us are already surviving on saimin & Spam, on sale, from our local grocery store.

Please think of the domino effect this will have on the little guys.

Aloha,  
Ann Kekahuna  
County of Hawaii  
Real Property Tax Collections  
[akekahuna@co.hawaii.hi.us](mailto:akekahuna@co.hawaii.hi.us)  
Telephone: (808) 961-8283

# LATE

kim2 - Arline

---

**From:** delwell@hawaii.rr.com  
**Sent:** Thursday, March 26, 2009 9:39 PM  
**To:** WAM Testimony  
**Subject:** HB 1744

My wife and I were frankly disgusted to read that greedy Oahu lawmakers are planning to keep all the Hotel tax that is normally distributed to the neighbor islands. At a time when the neighbor islands are struggling with their own budget problems, this seems an idea worthy of an AIG bonus-grabber.

We hear too often of federal or other funds intended for all the state but that never leave Oahu.

We trust that the Senate Ways and Means Committee will show fairness and throw out this truly disgusting Bill.

Dennis Elwell

**LATE**

**kim2 - Arline**

---

**From:** Joycelyn Haswell [hazwell@gmail.com]  
**Sent:** Thursday, March 26, 2009 9:52 PM  
**To:** WAM Testimony  
**Subject:** I STRONGLY OPPOSE HB 1744

Aloha Chairperson Kim, Vice Chairperson Tsutsui, and members of the Senate Ways and Means Committee:

House Bill 1744, if adopted, will have catastrophic consequences for the County of Hawai'i. If this Bill is passed Hawaii County will have a \$50 million shortcut in our operating budget.

If the County of Hawai'i is forced to resort to laying off employees it will create widespread panic in our county and cause incalculable damage to an already fragile and struggling economy.

**I urge you in the strongest terms possible to oppose HB 1744.**

Please look to other areas to adjust State income levels and reduce State spending that will not have such an immediate and drastic impact on the County of Hawai'i. Thank you for your consideration in this matter.

Joycelyn Haswell  
140 Akolea Road  
Hilo, HI 96720

**LATE**

**kim2 - Arline**

---

**From:** OshiroRV@aol.com  
**Sent:** Thursday, March 26, 2009 10:09 PM  
**To:** WAM Testimony  
**Subject:** Oppose HB1744

Dear Legislators:

We oppose HB1744, which suspends the county's share of the Transient Accommodation Tax. This bill will cause a tremendous hardship on county governments.

If you must raid a fund, raid the Campaign Spending Commission Fund.

Sincerely;

Virginia and Rodney Oshiro  
169 Kuaha Place  
Hilo, Hawaii 96720

---

Feeling the pinch at the grocery store? [Make meals for under \\$10.](#)



**LATE**

27 March 2009

Dear Senator Kim,

I support HB 1744. There is a need to hold a public meeting to place all options on the table and explore how the budget can best be balanced.

Sincerely,  
Ka'iu Kimura

LATE

kim2 - Arline

---

**From:** Linda Silva [rlscrs@hotmail.com]  
**Sent:** Friday, March 27, 2009 8:37 AM  
**To:** WAM Testimony  
**Subject:** HB 1744, RE: Transient Accommodation Tax

March 27, 2009

TO SENATE WAYS AND MEANS COMMITTEE  
PUBLIC HEARING ON HOUSE BILL NO. 1744  
FRIDAY MARCH 27, 2009, 9:30AM  
RELATING TO THE TRANSIENT ACCOMMODATION TAX

Aloha Chairperson Kim, Vice Chairperson Tsutsui, and members of the Senate Ways and Means Committee:

House Bill 1744, if adopted, will have catastrophic consequences for the County of Hawai'i. Our finance department is projecting a \$31.8 million shortfall in revenue for our upcoming 2009-2010 budget cycle.

This bill will add approximately \$18 million to our shortfall forcing us to cut \$49.8 million from our operating budget. To accomplish this tax rates will have to be increased and government employees will have to be laid off causing a reduction in service to our citizens. Simply put, the County does not have any other avenue for absorbing an \$18 million cut. Please keep in mind the entire budget for the County of Hawai'i will be approximately \$370 million and this legislation would amount to an additional 5% cut to our operating funds.

If the County of Hawai'i is forced to resort to laying off employees it will create widespread panic in our county and cause incalculable damage to an already fragile and struggling economy.

I appreciate that the budget for the State of Hawai'i is in a similar situation, however, I believe this legislation will have unintended consequences for the State. If we are forced to cut our workforce, spending will go down as more uncertainty will force our residents to tighten the belts and spend even less than they are currently. This will cause a dramatic decrease in General Excise Tax revenue perpetuating the downward spiral of our economy and revenue.

I urge you in the strongest terms possible to oppose HB 1744. As chairman of the Hawai'i County Council Committee on Finance I completely understand the difficult situation you are in at this time. Please look to other areas to adjust State income levels and reduce State spending that will not have such an immediate and drastic impact on the County of Hawai'i. Thank you for your consideration in this matter.

Warmest Aloha,

Linda L. Silva  
Taxpayer, County of Hawai'i Employee,  
Big Island Resident

---

Express your personality in color! Preview and select themes for Hotmail®. [See how.](#)

**kim4 - Elizabeth**

**LATE**

**From:** Evonne Bjornen [e.bjornen@hawaiiintel.net]  
**Sent:** Saturday, March 28, 2009 4:24 PM  
**To:** WAM Testimony  
**Cc:** Billy Kenoi; Dominc Yagong  
**Subject:** House Bill 1744

My name is Evonne Bjornen, my husband is Paul N. Tallett. We are very opposed for you to even consider the idea, in bill 1744, to take the Transit Tax from our County of Hawaii, and keep it on Oahu. The money belongs in our County, is earned in our County, and should stay on the Big Island!! Kindly consider what we are writing to you.

Thanking you in advance for your support for us, on this important issue.

Evonne Bjornen and Paul N.Tallett

Hilo, Hawaii, 96720

(808) 969-7753

**kim4 - Elizabeth**

**LAT**  
**LAT**

**From:** JOHN CHAN [johngchan2004@yahoo.com]  
**Sent:** Saturday, March 28, 2009 7:00 PM  
**To:** WAM Testimony  
**Cc:** Evonne Bjornen  
**Subject:** HB 1744

To Whom It May Concern

HB 1744 which proposes transferring transit taxes from the county to the state general funds is a bad idea. The county of Hawaii, like its sister counties in the state, are all suffering from money problems due to the current recession. While the state suffers a budget shortfall, taking monies away from the counties is not the solution.

The counties need the money to serve the people in a myriad of ways. To take this money away at this critical time, with no foreseeable means of replacement, would be a great disservice to the people of Hawaii.

The state must continue to look for other means of resolving its budget deficit. HB 1744 is NOT the answer!

Mahalo, John G. and Mary J. Chan

Hilo, Hawaii

LAF

**kim4 - Elizabeth**

---

**From:** Rhoda Simeona [mamaki51@yahoo.com]  
**Sent:** Saturday, March 28, 2009 10:56 PM  
**To:** WAM Testimony  
**Subject:** HB 1744

Date: March 28, 2009  
Re: House Bill 1744  
To: Senate Ways & Means Committee

Please do NOT suspend TAT payments for our county.

As our state representatives from the Big Island have said, it's a bad idea.

It'll worsen our economic situation by removing a source of income, which will necessitate further budget cuts.

The state is being irresponsible by taking money from the counties to balance the state budget. When the counties are out of money, they'll come asking the state for help to bail them out.

Suspending TAT is very short sighted. It just postpones the inevitable spending cuts at the state level and lengthens the time of our economic misery. Make cuts at the state level now.

The counties are already cutting their spending.

Sincerely,

Rhoda Simeona  
Pana'ewa, Big Island

**kim4 - Elizabeth**

---

**From:** niteowl norm [nitoyj1@yahoo.com]  
**Sent:** Saturday, March 28, 2009 11:03 PM  
**To:** WAM Testimony  
**Subject:** House Bill 1744

Subject: House Bill 1744

As the Sate is trying to take and keep our Transit Tax over on Oahu!! We are opposed to this idea!

My name is norman yee. I am strongly opposed to the idea, in bill 1744, to take the Transit Tax from our County of Hawaii, and keep it on Oahu. The money was taxed in this county for this county & belongs in our County, is earned in our County, and should stay on the Big Island!! Kindly consider what we are writing to you.

Mahalo for your support for us, on this important issue.

norm yee, amoi yee

Hilo, Hawaii, 96720  
(808) 959-9405

LAW

**kim4 - Elizabeth**

---

**From:** James Louis [spouses@turquoise.net]  
**Sent:** Sunday, March 29, 2009 8:16 AM  
**To:** WAM Testimony  
**Cc:** Billy Kenoi; Dominc Yagong  
**Subject:** Re: Fw: House Bill 1744  
**Attachments:** faint\_grain.jpg

**To:** [wamtestimony@capitol.hawaii.gov](mailto:wamtestimony@capitol.hawaii.gov)  
**Cc:** [Billy Kenoi](#) ; [Dominc Yagong](#)  
**Sent:** Saturday, March 28, 2009 4:24 PM  
**Subject:** House Bill 1744

My name is James Louis, my wife is Nancy Louis. We are very opposed for you to even consider the idea, in bill 1744, to take the Transit Tax from our County of Hawaii, and keep it on Oahu. The money belongs in our County, is earned in our County, and should stay on the Big Island!! Kindly consider what we are writing to you.

Thanking you in advance for your support for us, on this important issue.

Jim Louis & Nancy Louis  
Kona, HI  
808-326-9461

# LATE

kim2 - Arline

---

**From:** James Crow [twocrowsnest@hotmail.com]  
**Sent:** Friday, March 27, 2009 2:22 PM  
**To:** WAM Testimony  
**Subject:** Hotel State Tax

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

*Aloha to the State Legislature,*

*This is to inform you NO on House Bill 1744. Keep the taxes for room rental in the various counties that they were paid in. STOP putting things into the "General Fund". Figure out how to make it work.*

*Mahalo for your kokua,*

*Sincere Aloha, Madge Crow, Sr. Citizen  
HCR1 Box 5218  
Keaau, HI. 96749*

*808/982-7928*

---

Express your personality in color! Preview and select themes for Hotmail®. [See how.](#)



March 27, 2009

TESTIMONY OF LEE LORD, CITIZEN OF HAWAI'I COUNTY  
TO SENATE WAYS AND MEANS COMMITTEE  
PUBLIC HEARING ON HOUSE BILL NO. 1744  
FRIDAY MARCH 27, 2009, 9:30AM  
RELATING TO THE TRANSIENT ACCOMMODATION TAX

Aloha Chairperson Kim, Vice Chairperson Tsutsui, and members of the Senate Ways and Means Committee:

House Bill 1744, if adopted, will have catastrophic consequences for the County of Hawai'i. Our finance department is projecting a \$31.8 million shortfall in revenue for our upcoming 2009-2010 budget cycle.

This bill will add approximately \$18 million to our shortfall forcing us to cut \$49.8 million from our operating budget. To accomplish this tax rates will have to be increased and government employees will have to be laid off causing a reduction in service to our citizens. Simply put, the County does not have any other avenue for absorbing an \$18 million cut. Please keep in mind the entire budget for the County of Hawai'i will be approximately \$370 million and this legislation would amount to an additional 5% cut to our operating funds.

If the County of Hawai'i is forced to resort to laying off employees it will create widespread panic in our county and cause incalculable damage to an already fragile and struggling economy.

I appreciate that the budget for the State of Hawai'i is in a similar situation, however, I believe this legislation will have unintended consequences for the State. If we are forced to cut our workforce, spending will go down as more uncertainty will force our residents to tighten the belts and spend even less than they are currently. This will cause a dramatic decrease in General Excise Tax revenue perpetuating the downward spiral of our economy and revenue.

I urge you in the strongest terms possible to oppose HB 1744. As a citizen of Hawai'i County I completely understand the difficult situation you are in at this time. Please look to other areas to adjust State income levels and reduce State spending that will not have such an immediate and drastic impact on the County of Hawai'i. Thank you for your consideration in this matter.

Warmest Aloha,

Lee Lord,  
PO Box 205, Volcano, HI



**LEAGUE OF  
WOMEN VOTERS  
OF HAWAII**

LATE TESTIMONY

49 SOUTH HOTEL STREET, ROOM 314 HONOLULU, HAWAII 96813 PHONE (808) 531-7448

March 27, 2009

Honorable Donna Mercado Kim  
Chair, Committee on Ways and Means  
Room 210  
State Capitol

**Re: House Bill 1744 Relating to the Transient Accommodations Tax**

Dear Senator Kim and Members of the Committee:

The League of Women Voters of Hawaii opposes this bill. Our counties are having just as much trouble in balancing their budgets as the State. The major difference is that you have many ways to raise money and the counties very few.

If this bill is enacted into legislation, the tax burden of every property owner in Hawaii will be increased. Although the State may be in tough financial circumstances, it is not fair to pre-empt income from the counties.

Thank you for this opportunity to testify.

Jacqueline Parnell, President  
League of Women Voters of Hawaii