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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  
**HOUSE COMMITTEE ON FINANCE**

Wednesday, February 20, 2019  
4:00PM  
State Capitol, Conference Room #308

In consideration of  
**HOUSE BILL NO 908 HD1**  
**RELATING TO TRANSIENT ACCOMMODATIONS TAX.**

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Chair Luke, Vice Chair Cullen, and members of the House Committee Finance: The Hawai'i Tourism Authority (HTA) is in **support of** House Bill 908 HD1, which proposes to allocate additional 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 same funding to HTA for the fiscal year 2018-19. Since then, HTA has worked with the Hawaii Lodging and Tourism Association to implement such initiatives. This bill would allow HTA to continue working with the private sector to address homelessness in resort and tourist areas.

We appreciate this opportunity to provide testimony in support of HB908 HD1.

**HB-908-HD-1**

Submitted on: 2/19/2019 3:19:47 PM

Testimony for FIN on 2/20/2019 4:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
HERBERT M. "TIM" RICHARDS, III	Hawaii County Council	Support	No

Comments:

# TAX FOUNDATION OF HAWAII

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126 Queen Street, Suite 304

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SUBJECT: TRANSIENT ACCOMMODATIONS, Earmark Funds to Address Homelessness

BILL NUMBER: HB 908, HD-1

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 \$1 million 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, 2099.

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 2/16/2019



**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

House Committee on Finance  
February 20, 2019

House Bill 908, Relating to the Transient Accommodations Tax

Chair Luke and members of the Committee on Finance, 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 working on the final step in 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-1**

Submitted on: 2/17/2019 2:23:02 PM

Testimony for FIN on 2/20/2019 4:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Stephanie Donoho	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 1

**Relating To The Transient Accommodation Tax**

COMMITTEE ON FINANCE

**Wednesday, February 20, 2019, 4:00 pm**

**Conference Room 308**

Dear Chair Luke, Vice Chair Cullen 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 HD1**, 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.

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.

**HB-908-HD-1**

Submitted on: 2/19/2019 12:21:22 PM

Testimony for FIN on 2/20/2019 4:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Stefani jeremiah	Individual	Oppose	No

Comments:



LAND USE RESEARCH  
FOUNDATION OF HAWAII

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**LATE**

February 19, 2017

Representative Sylvia Luke, Chair  
Representative Ty T.K. Cullen, Vice Chair  
House Committee on Finance

**Support of HB 908, HD1 Relating to the Transient Accommodations Tax. (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.)**

**FIN Hrg: Wednesday, February 20, 2019, 4:00 p.m., in Conf. Rm. 308**

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers, resort operators and major utility companies. LURF's mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

LURF **supports HB 908, HD1**, which would allocate and appropriate \$1,000,000 in funding from Transient Accommodations Tax (TAT) revenues to the Hawaii Tourism Authority (HTA) to implement initiatives, in conjunction with the Hawaii Lodging and Tourism Association, to address homelessness in tourist and resort areas. This measure stipulates that no funds shall be released unless matched dollar-for-dollar by the private sector; and also requires the HTA to submit a report to the Legislature prior to the convening of the 2020 regular legislative session.

LURF respectfully urges your Committees to **favorably consider HB 908, HD1**.

Thank you for the opportunity to present testimony regarding this measure.