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February 12, 2024

TO: The Honorable Angus L.K. McKelvey, Chair, and
Members of the Senate Committee on Government Operations

FROM: Alice L. Lee
Council Chair 

SUBJECT: **HEARING OF FEBRUARY 13, 2024; TESTIMONY IN SUPPORT OF
SB2831, RELATING TO THE COUNTY TRANSIENT ACCOMMODATIONS
TAX**

I **support** this measure to authorize the Department of Taxation to assist a requesting county in levying, assessing, collecting, and otherwise administering the county transient accommodations tax (TAT), including delinquencies and penalties, for a two-year period beginning January 1, 2025.

I am providing this testimony in my capacity as an individual member of the Maui County Council.

I support this measure for the following reasons:

1. In the wake of the August 2023 Maui wildfires, the County of Maui is facing unanticipated revenue shortfalls, including in tax collections, and a heightened demand for resources to rebuild infrastructure.
2. In December 2023, the Office of the County Auditor of the County of Maui issued Report No. 23-01, noting significant delinquencies in collection of the county TAT. The county Department of Finance is understaffed, real property tax policies are being adjusted to account for large-scale property losses, and the need for support is acute.
3. Temporary assistance from the Department of Taxation, which already has the tools and expertise to efficiently collect TAT, would allow for the backlog in processing and scarcity of trained county TAT personnel to be addressed.

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