

COUNCIL OF THE COUNTY OF MAUI

# GOVERNMENT RELATIONS, ETHICS, AND TRANSPARENCY COMMITTEE

September 1, 2023

**Committee  
Report No.** \_\_\_\_\_

Honorable Chair and Members  
of the County Council  
County of Maui  
Wailuku, Maui, Hawaii

Chair and Members:

Your Government Relations, Ethics, and Transparency Committee, having met on August 1, 2023, and reconvened on August 2, 2023, makes reference to Resolution 23-171, entitled “APPROVING FOR INCLUSION IN THE 2024 MAUI COUNTY COUNCIL LEGISLATIVE PACKAGE A STATE BILL RELATING TO THE COUNTY TRANSIENT ACCOMMODATIONS TAX.”

Resolution 23-171’s purpose is to approve for inclusion in the 2024 Maui County Council Legislative Package a proposed State bill, attached as Exhibit “A,” entitled “A BILL FOR AN ACT RELATING TO THE COUNTY TRANSIENT ACCOMMODATIONS TAX.”

The purpose of the proposed State bill is to remove the maximum rate at which each county may establish a transient accommodations tax (“TAT”).

Your Committee notes increasing the TAT for Maui County could assist with additional funding for public safety, emergency services, and maintaining infrastructure, such as parks and roads.

Your Committee noted Maui County’s three percent TAT is lower than other municipalities.

Your Committee noted it would be beneficial for the TAT to be used in areas in Maui County with the greatest visitor impact. However, because TAT revenues are deposited into the County’s General Fund, it would be difficult to differentiate its use for specific areas.

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# GOVERNMENT RELATIONS, ETHICS, AND TRANSPARENCY COMMITTEE

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**Committee  
Report No.** \_\_\_\_\_

Your Committee voted 5-2 to recommend adoption of Resolution 23-171. Committee Vice-Chair Paltin and members Johnson, Kama, Rawlins-Fernandez, and Sinenci voted “aye.” Committee Chair U‘u-Hodgins and member Cook voted “no.” Committee members Lee and Sugimura were excused.

Your Government Relations, Ethics, and Transparency Committee RECOMMENDS that Resolution 23-171, attached hereto, entitled “APPROVING FOR INCLUSION IN THE 2024 MAUI COUNTY COUNCIL LEGISLATIVE PACKAGE A STATE BILL RELATING TO THE COUNTY TRANSIENT ACCOMMODATIONS TAX,” be ADOPTED.

This report is submitted in accordance with Rule 8 of the Rules of the Council.

  
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NOHELANI U‘U-HODGINS, Chair

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# Resolution

No. 23-171

APPROVING FOR INCLUSION IN THE 2024  
MAUI COUNTY COUNCIL LEGISLATIVE  
PACKAGE A STATE BILL RELATING TO THE  
COUNTY TRANSIENT ACCOMMODATIONS TAX

WHEREAS, since 1987, the State of Hawai'i has had a tax upon room revenues derived from transient accommodations, known as the Transient Accommodations Tax, or TAT; and

WHEREAS, Act 1, Special Session 2021, stripped counties of their statutory allocation of State-collected TAT revenue and granted the authority to collect a County TAT of three percent; and

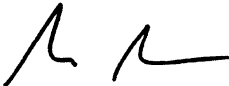
WHEREAS, TAT revenue can be used to fund public safety, emergency services, and the upkeep and maintenance of parks and roads; and

WHEREAS, keeping more TAT revenue in the counties where the revenue is earned will address overtourism's impacts while also improving the resident's quality of life; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That the proposed State bill attached as Exhibit "A," relating to the county transient accommodations tax, is approved for inclusion in the 2024 Maui County Council Legislative Package; and
2. That certified copies of this Resolution be transmitted to the Mayor.

INTRODUCED BY:



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GABE JOHNSON

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# A BILL FOR AN ACT

RELATING TO THE COUNTY TRANSIENT ACCOMMODATIONS TAX.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Section 46.20.7, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "~~§46-20.7~~ **County transient accommodations tax.** Each  
4 county may establish a transient accommodations tax [~~not to~~  
5 ~~exceed the maximum rate set forth in section 237D-2.5~~]. The  
6 county transient accommodations tax shall be in addition to any  
7 state transient accommodations tax. A county electing to  
8 establish a transient accommodations tax pursuant to this  
9 section shall do so by ordinance."

10          SECTION 2. Section 237D-2.5, Hawaii Revised Statutes, is  
11 amended by amending subsection (a) to read as follows:

12          "(a) The county transient accommodations tax, upon the  
13 adoption of a county ordinance and in accordance with the  
14 requirements of section 46-20.7, shall be levied, assessed, and  
15 collected as provided in this section on all gross rental, gross  
16 rental proceeds, and fair market rental value taxable under this  
17 chapter. [~~No county shall set its transient accommodations tax~~  
18 ~~at a rate greater than three per cent of all gross rental, gross~~

\_\_\_\_.B. NO. \_\_\_\_\_

1 ~~rental proceeds, and fair market rental value taxable under this~~  
2 ~~chapter.]~~ With respect to the county transient accommodations  
3 tax, the applicable county director of finance shall have all  
4 the rights and powers of the director of taxation provided under  
5 this chapter."

6 SECTION 3. Statutory material to be deleted is bracketed  
7 and in strikethrough.

8 SECTION 4. This Act shall take effect on July 1, 2024.

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10 INTRODUCED BY: \_\_\_\_\_

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12 paf:jpp:23-181c