

April 29, 2020

MEMO TO: Economic Development and Budget Committee

FROM : Keani Rawlins-Fernandez, Chair *Keani Rawlins-Fernandez*  
Economic Development and Budget Committee

SUBJECT: **SUSPENSION OF TAT DISTRIBUTION** (EDB-1)

On April 25, 2020, Governor David Y. Ige issued the Sixth Supplementary Proclamation Amending and Restating Prior Proclamations and Executive Orders Related to the COVID-19 Emergency, effective through May 31, 2020, unless extended.

Emergency proclamations are available on the Governor's official website:

<https://governor.hawaii.gov/emergency-proclamations/>

Section 237D-6.5(b), Hawaii Revised Statutes ("HRS"), specifying the distribution of transient accommodations tax ("TAT") revenue to the counties and other entities, is among the laws suspended by the Governor. Please see the Proclamation at page 19.

When in effect, Section 237D-6.5(b) provides for Maui County to receive the set amount of \$23.484 million annually from the TAT. TAT distribution to the counties is dependent upon the State having enough revenue to first cover higher-priority distributions to the Turtle Bay Conservation Easement Special Fund (\$1.5 million), the Convention Center Enterprise Special Fund (\$16.5 million), and Tourism Special Fund (\$79 million).

When the statute is suspended, Maui County is not entitled to any TAT revenue.

Should you have any questions, please contact Legislative Analyst Ana Lillis (ext. 7660).

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