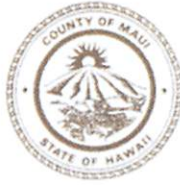


MICHAEL P. VICTORINO  
Mayor

SCOTT K. TERUYA  
Director

MAY-ANNE A. ALIBIN  
Deputy Director



DEPARTMENT OF FINANCE  
COUNTY OF MAUI  
200 SOUTH HIGH STREET  
WAILUKU, MAUI, HAWAII 96793

June 2, 2020

Honorable Michael P. Victorino  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

*Michael P. Victorino*  
\_\_\_\_\_  
Mayor Date 6/4/20

OFFICE OF THE  
COUNTY CLERK

2020 JUN -4 AM 9:45

RECEIVED

For Transmittal to:

Honorable Alice L. Lee, Council Chair  
and Members of the Maui County Council  
Kalana O Maui Building, 8<sup>th</sup> floor  
200 S. High St.  
Wailuku, Hawaii 96793

Dear Chair Lee and Members,

**SUBJECT: FISCAL YEAR ("FY") 2020 ESTIMATED REVENUE SHORTFALL  
FOR THE GENERAL FUND AND THE SOLID WASTE  
MANAGEMENT FUND**

Pursuant to Section 9-10.1 of the Revised Charter of the County of Maui (1983), as amended, I am writing to inform you of the following estimated revenue shortfall:

- **General Fund, Transient Accommodation Tax (TAT):** Due to the Governor's Sixth Supplementary Proclamation relating to COVID-19 issued on April 25, 2020, the distribution of TAT collections after the April TAT collection has been suspended. A letter from Governor David Ige, dated May 4, 2020, to the four County Mayor's outlined the expected TAT distribution collected through April 2020. The total statutory allocation for the County of Maui for FY 2020 is \$23,484,000; the total to be received for this FY is \$21,527,000. This represents a decrease of \$1,957,000 in estimated revenues for the General Fund. A copy of the letter is attached for your reference.

The deficit of estimated revenues of \$1.9 million to the General Fund is anticipated to be absorbed by the projected savings in the Department of Finance, Countywide Costs, Insurance Programs and Self Insurance.

COUNTY COMMUNICATION NO. 20-321

Honorable Alice L. Lee

June 2, 2020

Page 2

- **Solid Waste Management Fund, Charges for Current Services:** The Department of Environmental Management, Solid Waste Division, anticipates a shortfall of \$2.6 million for FY 2020. The shortfall is a result of less tonnage received at the landfills, in particular the Central Maui Landfill.

The estimated revenue shortfall of \$2.6 million from the Solid Waste Management Fund is anticipated to be absorbed by a combination of savings from salaries, fringe benefits, administrative overhead, and operations. In addition, capital improvements projects funded by cash will be deferred until FY 2021. A budget amendment for FY 2020 is not needed at this time.

Thank you for your attention to this matter. Should you have any questions, please feel free to contact me at extension 7474.

Sincerely,

  
for SCOTT K. TERUYA  
Director of Finance

Attachment

SKT:maa



EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

May 4, 2020

TO:           The Honorable Kirk Caldwell  
              Mayor, City & County of Honolulu

              The Honorable Harry Kim  
              Mayor, County of Hawai'i

              The Honorable Derek S.K. Kawakami  
              Mayor, County of Kaua'i

              The Honorable Michael P. Victorino  
              Mayor, County of Maui

              Ms. Suzanne Case  
              Chairperson, Board of Land and Natural Resources (DLNR)

              Mr. Mike McCartney  
              Director, Department of Business, Economic Development and Tourism  
              (DBEDT)

              Mr. Chris Tatum  
              President and CEO, Hawai'i Tourism Authority (HTA)

FROM:       David Y. Ige  
              Governor, State of Hawai'i

SUBJECT:    Effect of Governor's Sixth Supplementary Proclamation Relating to  
              COVID-19 on Transient Accommodation Tax Distribution

In my Sixth Supplementary Proclamation Relating to COVID-19 issued on April 25, 2020, Section 237D-6.5(b), Hawaii Revised Statutes, was suspended. This section outlines the special fund distributions for the Transient Accommodations Tax (TAT).

Pursuant to the Emergency Proclamation, I have directed the Department of Budget and Finance and the Department of Taxation (DOTAX) to **suspend monthly special fund distribution of the TAT collections after the May distribution of the April TAT**

The Honorable Kirk Caldwell  
The Honorable Harry Kim  
The Honorable Derek S.K. Kawakami  
The Honorable Michael P. Victorino  
Ms. Suzanne Case  
Mr. Mike McCartney  
Mr. Chris Tatum  
May 4, 2020  
Page Two of Two

**collections.** There are presently sufficient April TAT collections to fulfill the normal special fund distributions.

As we all anticipate, May TAT collections for April 2020 business activity will be substantially reduced due to the reduction in visitors and the state-wide stay-at-home order. Thus, my Proclamation provides the authority to suspend future TAT distributions through May 31, 2020 (subject to extension). Any TAT funds collected in May 2020 and future months will be retained in the State General Fund.

Attached is a table detailing the expected TAT distribution amounts including the May 2020 distribution of April TAT collections and outstanding distributions for your reference.

Please contact Craig Hirai, Director of Budget and Finance (email: [craig.k.hirai@hawaii.gov](mailto:craig.k.hirai@hawaii.gov), phone: (808) 586-1518), or Rona Suzuki, Director of Taxation (email: [rona.m.suzuki@hawaii.gov](mailto:rona.m.suzuki@hawaii.gov), phone: (808) 587-1540), if you have any questions.

Thank you for your understanding and cooperation as we work together to respond to the COVID-19 crisis.

With warmest regards,



David Y. Ige  
Governor, State of Hawai'i

**Attachment**

c: Department of Budget & Finance  
Department of Accounting and General Services  
Department of the Attorney General  
Department of Taxation  
TA special funds points of contact  
County fiscal offices

**Distribution of Transient Accommodations Tax (TAT) Funds  
Pursuant to Section 237D-6.5(b), Hawai'i Revised Statutes**

Receiving Special Fund or Agency (in statutory order)	Total statutory allocation	Total funds to be received as of May 2020	Undistributed variance to statutory allocation
Turtle Bay conservation easement special fund (DLNR)	\$1,500,000.00	\$1,375,000.00	\$125,000.00
Convention center enterprise special fund (DBEDT, HTA)	\$16,500,000.00	\$15,125,000.00	\$1,375,000.00
Tourism special fund (DBEDT, HTA)	\$79,000,000.00	\$72,416,666.67	\$6,583,333.33
Counties:			
City & County of Honolulu	\$45,423,000.00	\$41,637,750.00	\$3,785,250.00
County of Hawai'i	\$19,158,000.00	\$17,561,500.00	\$1,596,500.00
County of Kaua'i	\$14,935,000.00	\$13,690,416.65	\$1,244,583.35
County of Maui	\$23,484,000.00	\$21,527,000.00	\$1,957,000.00
Special land and development fund (DLNR)	\$3,000,000.00	\$2,750,000.00	\$250,000.00
<b>TOTAL:</b>	<b>\$203,000,000.00</b>	<b>\$186,083,333.32</b>	<b>\$16,916,666.68</b>