



Maui Hotel & Lodging
ASSOCIATION

2023 Maui Hotel & Lodging's Legislative Priorities:

1. **WATER INFRASTRUCTURE AND TRANSMISSION [MAUI COUNTY]:** Over the years, the Maui County water department has been raising rates to pay for “repair and maintenance” and to “find and develop new water sources.” Thus far, the infrastructure has failed to keep pace with development. It is time to be proactive and use money provided by the President’s infrastructure bill or the Maui County Transient Accommodations Tax (MCTAT). West Maui is particularly vulnerable to low rainfall and recently experienced low transmission issues even after a significant rain event. The Visitor industry provides \$230 million or 54% of total Real Property Tax (RPT) and is estimated to bring in \$60 million in MCAT. It is time to use those funds for additional water infrastructure and transmission.
2. **TAXES AND FEES:** County Real Property taxes continue to increase yearly, even though increased property value assessments generate a substantial increase in tax revenues. In 2021 The County began charging an additional 3% Transient Accommodation Tax (TAT) on all room nights. This situation is not sustainable, and MHLA will continue to lobby for property tax relief on the county level. On the state level, we oppose any bills aimed at raising taxes or fees on the industry, especially when attempting to reemerge from the pandemic. We will advocate for existing assessed fees to have a nexus and fund areas such as infrastructure, parks, destination management efforts, and enforcement of illegal vacation rentals.
3. **DESTINATION MANAGEMENT:** There is an opportunity to continue efforts to manage tourism better by working together with the government, private industry, and community members. Hawaii Tourism Authority’s (HTA) Destination Management Action Plan (DMAP) has outlined action items that will need our collective efforts and continued funding, funding that can be designated from State and County Transient Accommodation Tax (TAT). By working together, we can create a healthy destination that benefits the residents and promotes cultural respect and environmental responsibility. MHLA is committed to participating and furthering all efforts of the Maui Nui DMAP.
4. **AFFORDABLE WORKFORCE HOUSING AND RENTALS:** Approximately 40% of Maui County’s workforce is directly employed by the Visitor Industry. We are deeply concerned about the lack of adequate housing and affordable rentals for our workers and consider it an immediate priority. The lack of housing has contributed significantly to our inability to hire and retain staff. We support further legislation that will streamline and support developers in creating more affordable housing and rentals for our workforce.

For the entire 2023 Position Statements listing, please visit our website: mauihla.org

2023 POSITIONS STATEMENTS

These are the MHLA’s positions on various issues before legislative bodies, state and county agencies, non-governmental organizations, or the community.

TAXES AND FEES

- **TAXES AND FEES:** County Real Property taxes continue to increase yearly, even though increased property value assessments generate a substantial increase in tax revenues. In 2021 The County began charging an additional 3% Transient Accommodation Tax (TAT) on all room nights. This situation is not sustainable, and MHLA will continue to lobby for property tax relief on the county level. On the state level, we oppose any bills aimed at raising taxes or fees on the industry, especially when attempting to reemerge from the pandemic. We will advocate for existing assessed fees to have a nexus and fund areas such as infrastructure, parks, destination management efforts, and enforcement of illegal vacation rentals.

VISITOR INDUSTRY

- **DESTINATION MANAGEMENT:** There is an opportunity to continue efforts to manage tourism better by working together with the government, private industry, and community members. Hawaii Tourism Authority’s (HTA) Destination Management Action Plan (DMAP) has outlined action items that will need our collective efforts and continued funding, funding that can be designated from State and County Transient Accommodation Tax (TAT). By working together, we can create a healthy destination that benefits the residents and promotes cultural respect and environmental responsibility. MHLA is committed to participating and furthering all efforts of the Maui Nui DMAP.
- **TRANSIENT VACATION RENTALS:** MHLA supports the existence of TVRs within properly zoned areas—such as resort districts—provided these units are operating legally and are paying the appropriate taxes and fees. Over the past few years, Maui County has made progress in addressing the proliferation of illegal short-term rentals. The limiting factor continues to be the inability to monitor and enforce county ordinances pertaining to illegal units. For Maui, we would like to see more funding available for the administration to enforce their TVR laws actively. Equally important, most of these accommodations may not adhere to all Federal and State Codes and Regulations (Fire Safety, ADA, COVID, etc.). We feel strongly that all properties accommodating our visitors should be legally permitted and must pay the taxes our government imposes and adhere to all Federal and State Codes and Regulations. MHLA will seek policy change for greater enforcement and fines.
- **INFRASTRUCTURE:** The Maui County water department has been raising rates to pay for “repair and maintenance” and “find and develop new water sources.” Thus far, the infrastructure has failed to keep pace with development. It is time to be proactive and use money provided by the President’s infrastructure bill or the Maui County Transient Accommodations Tax (MCTAT). West Maui is particularly vulnerable to low rainfall and recently experienced low transmission issues even after a significant rain event. The Visitor industry provides \$230 million or 54% of

total Real Property Tax (RPT) and is estimated to bring in \$60 million in MCAT. It is time to use those funds for additional water infrastructure and transmission.

COMMUNITY

- **AFFORDABLE WORKFORCE HOUSING AND RENTALS:** Approximately 40% of Maui County’s workforce is directly employed by the Visitor Industry. We are deeply concerned about the lack of adequate housing and affordable rentals for our workers and consider it an immediate priority. The lack of housing has contributed significantly to our inability to hire and retain staff. We support further legislation that will streamline and support developers in creating more affordable housing and rentals for our workforce.
- **PROPOSED SHORELINE MANAGEMENT RULES AND BEACH RESTORATION EFFORTS:** As part of an island community in the middle of the Pacific Ocean, the MHLA understands the importance of the government to address climate change, rising sea levels, and shoreline erosion, as these changes affect us all. However, the need to do so should be tempered by State and County rules and regulations that are already strictly adhered to and based on the proper ocean and geological sciences. The solution should not be based on “one size fits all” but more on a carefully crafted solution depending on each property’s challenges.
- **WORKFORCE DEVELOPMENT:** It is essential to provide a pipeline of talent for the visitor industry. MHLA is committed to supporting efforts in our high school CTE programs to gain access to internships, entry-level college courses, and college scholarships. By providing skills, experience, and exposure to professionals in the field, our students will be highly marketable in one of the nation’s fastest-growing industries.
- **HOMELESSNESS:** Maui Hotel & Lodging Association supports improving the homelessness issue throughout Maui County. Our annual Charity Walk supports several key service providers to help aid their Homelessness Programs. We will continue to advocate for legislation allowing the State to distribute matching funds to agencies working with the homeless.
- **GAMBLING:** The Maui Hotel & Lodging Association believes that any decision on the introduction of gaming in Hawaii should be preceded by a careful and thorough examination of the impacts, both positive and negative, on our community, our lifestyle, and our values. Hawaii is a home with a unique sense of place for our families and friends, which will need to be retained even in these times of constant and inevitable change. The Maui Hotel & Lodging Association does not favor gaming in Hawaii.
- **CANNABIS:** If recreational marijuana becomes legal in the State of Hawaii, hotels should be free to enact policies that protect the health and safety of their guests and employees. Specifically, the threat of property damage (from the odor of smoke) or the increased labor costs to clean a room that smells like smoke. No smoking policies should not have to make an exception for the medicinal use of marijuana. Accordingly, many hotels have enacted “no smoking” policies that apply to the entire hotel, including guest rooms, and cover both tobacco and marijuana smoking. Regarding employees, we would ask that Hawaii has laws with clear policies that inform employers and employees what is and is not permissible. And what is permissible may

consider the current labor market and the ability to hire employees if a zero-tolerance policy is in place.

ECONOMIC DEVELOPMENT

- **DIVERSIFYING HAWAII'S ECONOMY:** Diversification should include a mixture of visitor and non-visitor industry activities. MHLA supports the development of new industries, such as the film industry, diversified agriculture, medical services, and high technology. MHLA also supports the use and promotion of products grown and or made in Maui.
- **IMPROVING GOVERNMENT EFFICIENCY:** The private sector continues to operate in a streamlined, efficient manner since the profit margins have yet to return from before the pandemic. It is our impression that the State and County have not followed this model – at least not in proportion to the drop in revenues. In short, we have more government than we can afford. We must seek ways to use our resources more wisely through technology, combining functions, eliminating unnecessary activities and spending, and privatizing government activities where appropriate.