

Hawai'i State Association of Counties (HSAC)  
Counties of Kaua'i, Maui, Hawai'i & City & County of Honolulu

MINUTES  
SPECIAL HSAC EXECUTIVE COMMITTEE MEETING  
January 15, 2014  
Honolulu Hale, Committee Meeting Room  
Honolulu, Hawaii

I. CALL TO ORDER

The HSAC Executive Committee was called to order by President Mel Rapozo at 3:25 p.m. The following members comprising a quorum were present:

County of Kauai:	President Mel Rapozo
County of Hawaii:	Vice President Dennis "Fresh" Onishi
City and County of Honolulu:	Secretary Stanley Chang
County of Maui:	Treasurer Michael Victorino
Others Present:	Councilmember Karen Eoff, Hawaii County Councilmember Valerie Poindexter, Hawaii County Councilmember Tim Bynum, Kauai County Councilmember Riki Hokama, Maui County Nadine Nakamura, Kauai County Gerald Rapozo, Kauai County Patsy Rapozo, Kauai County Shawn Hamamoto, City and County of Honolulu Joyce Olivera, HART  Honolulu staff Andrew Sekine Honolulu staff Brandon Mitsuda Honolulu staff Lyndsey Garcia Kauai staff Ashley Bunda Maui staff Kimberly Willenbrink

II. APPROVAL OF AGENDA

The Committee approved the agenda.

### III. UNFINISHED BUSINESS

Discussion and consideration of a proposal relating to the General Excise Tax (GET) to be included in the 2014 Hawaii State Association of Counties (HSAC) Legislative Package.

Kauai Councilmember Bynum spoke in opposition to the proposal. Councilmember Bynum stated that he agrees with Kauai Councilmember JoAnn Yukimura regarding the Executive Committee taking a position on an issue that was not discussed by the councils. Councilmember Bynum also stated that the GET is insidious because it taxes everything, including food and rent, and is not an appropriate tax for the funding of county services.

Councilmember Bynum distributed communications dated January 14, 2014, from Councilmember JoAnn Yukimura to HSAC members.

Hawaii Councilmember Poindexter stated that the issue is not TAT vs. GET. Rather, the issue is homerule, and under the bill the counties are given the opportunity to decide whether or not to implement the GET.

Responding to comments by Treasurer Victorino, Councilmember Poindexter clarified that she supports the approval of the bill.

Responding to comments by Treasurer Victorino, Councilmember Bynum noted House Speaker Joseph Souki's remarks regarding the lifting of the TAT cap and stated that HSAC supporting increasing the tax burden on Kauai's workers would be an uncomfortable precedent.

Vice President Onishi noted that the TAT bill is not part of the HSAC legislative package because Kauai Council did not approve of the inclusion of the TAT proposal. Vice President Onishi stated that HSAC should join the mayors in supporting the GET proposal.

Secretary Chang stated that he supports the bill because of the homerule issue and because it would bring in revenue to the counties.

President Rapozo stated that the bill is not part of a trade-off, and HSAC has a duty to protect the counties. President Rapozo stated that the GET burden would be borne by both residents and tourists, and it is a tool that the counties would have available to use if they deem it necessary.

President Rapozo stated that HSAC per its bylaws may add items to its legislative package after the start of the legislative session.

President Rapozo stated that he disagrees with Kauai Councilmember Yukimura's statement in her communication of January 14, 2014 that HSAC has not done its homework on the GET issue.

The Committee approved the inclusion of the proposal relating to the General Excise Tax (GET) in the 2014 HSAC Legislative Package.

#### IV. ANNOUNCEMENTS

Treasurer Victorino stated that he has received excellent comments from House and Senate legislators on the January 14, 2014 HSAC luncheon.

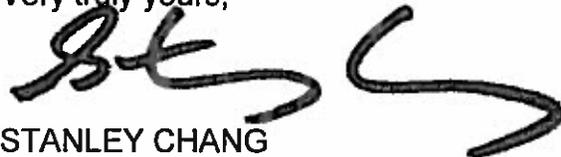
President Rapozo and Treasurer Victorino recognized the presence of Councilmember Hokama, who will be leading NACo. President Rapozo also recognized the presence of Nadine Nakamura, Kauai County Managing Director.

Councilmember Hokama reminded the members of the legislative conference in March 2014 in Washington DC. Councilmember Hokama stated that issues to watch include the federal budget, CDBG, municipal bond taxation, transportation cutbacks, and the reauthorization of MAP-21. Councilmember Hokama stated that the counties have two powerful tools that can be used to move the nation forward: planning powers and zoning powers.

#### V. ADJOURNMENT

The meeting was adjourned at 3:50 p.m.

Very truly yours,



STANLEY CHANG

Secretary

Hawaii State Association of Counties