

MINUTES

FINANCE & ECONOMIC DEVELOPMENT COMMITTEE

September 15, 2021

A meeting of the Finance & Economic Development Committee of the Council of the County of Kaua'i, State of Hawai'i, was called to order by Luke A. Evslin, Chair, at the Council Chambers, 4396 Rice Street, Suite 201, Līhu'e, Kaua'i, on Wednesday, September 15, 2021, at 2:11 p.m., after which the following Members answered the call of the roll:

Honorable Mason K. Chock
Honorable Felicia Cowden
Honorable Bill DeCosta
Honorable KipuKai Kualii
Honorable Luke A. Evslin (*via remote technology*)
Honorable Bernard P. Carvalho, Jr., Ex-Officio Member
Honorable Arryl Kaneshiro, Ex-Officio Member

Pursuant to Governor David Y. Ige's COVID-19 Response Emergency Proclamation dated August 5, 2021, public testimony was taken at the beginning of the day and as follows:

TIFFANY YAJIMA (*via remote technology*): Good morning, Chair, Vice Chair, and Members of the Committee. I am Tiffany Yajima testifying for Enterprise Holdings. We appreciate the opportunity to share our concerns about Bill No. 2828 with you. We do continue to oppose this measure for the same reasons we have stated before. If I may summarize, first, we believe this Bill is preempted by State law. While the County can tax real property as provided for under the State Constitution, this measure predicates the proposed real property tax based on the amount of personal property, such as motor vehicles that are associated with the property. We believe this exceeds the County's taxing authority. The State Legislature has prescribed by Statute the taxes that counties are permitted to levy on motor vehicles, and this Bill would effectively seek to impose an additional tax on cars in violation of State law. Second, we do believe this Bill raises Constitutional questions and violates the Equal Protection Clause, because it actively treats similar entities differently. Many operations accommodate motor vehicles that move on and off property that use County roads and contribute to traffic congestion and yet rental car operators are singled out by this Bill. Rental cars make up only about eight and a half percent (8.5%) of the registered cars on Kaua'i and rental car companies pay real property taxes at the industrial rate, they contribute to State and County motor vehicle fees, and pay the rental motor vehicle surcharge, in addition to providing jobs. We do appreciate the opportunity to dialogue with the Administration

and the Council, if there is additional language that is being considered, we do ask for more time, so that we may consider it. Therefore, we do ask that this measure be deferred and would like to thank you for your time. *Aloha*.

Council Chair Kaneshiro: Thank you, Tiffany. Are there any clarifying questions from the Members? Councilmember DeCosta.

Councilmember DeCosta: If this Bill will not curb our traffic problems, since rental cars are only about eight percent (8%) of our traffic, do you have any solutions to help curb our traffic problem with tourist rental cars? Obviously, during COVID-19 the roads were less distracted by tourists and when the travel industry opened, the roads became congested. So let us be solution-based. Can the rental car agencies tell us how we can solve our traffic problem by having rental car companies to monitor its rental cars in a better way?

Ms. Yamija: We appreciate that and we look forward to the opportunity to continue to dialogue about that. Here on O'ahu, traffic congestion has slowed down during COVID-19 and it was not just the tourists. It was also local residents who were not traveling, we were staying at home, we did not go to work in person, and we did not take our kids to school. It is a complex issue and we would be happy to dialogue further. One thing to think about, as you have pointed out, is that this Bill would not impact the amount of rental cars on the road—it is only at eight percent (8%), but it would have the effect of pushing business to other entities, such as peer-to-peer companies that would not be regulated as part of this Bill. So I do not think it will accomplish the goal of reducing traffic congestion, we just push the business to another entity.

Councilmember DeCosta: I appreciate your dialogue, although, it is an opinion that you do not think it will work, because we have not tried it yet.

Ms. Yajima: I cannot speak for the industry as a whole, but Enterprise does offer solutions, such as, carshare and ride-share. At one point, it did have satellite locations, so that is something that we would be happy to continue to dialogue with the Council and the Administration on. Thank you.

Councilmember DeCosta: I like ride-share and carshare. Thank you very much.

Ms. Yajima: Thank you.

Council Chair Kaneshiro: Is there anyone else? If not, thank you Tiffany.

Ms. Yajima: Thank you.

There being no further public testimony, the meeting proceeded as follows:

Minutes of the September 1, 2021 Finance & Economic Development Committee Meeting.

Upon motion duly made by Councilmember Kualii, seconded by Councilmember DeCosta, and unanimously carried, the Minutes of the September 1, 2021 Finance & Economic Development Committee Meeting was approved.

Committee Chair Evslin: The motion is carried. Clerk, can you please read the next item on the agenda.

Bill No. 2828 A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A, KAUAI COUNTY CODE 1987, AS AMENDED, ESTABLISHING A COMMERCIAL VEHICULAR RENTAL REAL PROPERTY TAX CLASS (This item was Deferred.)

Councilmember Kualii moved to approve Bill No. 2828, seconded by Councilmember Chock.

Committee Chair Evslin: This is the rental car operations real property tax classification Bill that we deferred at our last meeting to give time for the Administration to look into concerns that were raised in submitted testimony. We did receive another memorandum from the Administration requesting a three-week deferral. Do you folks have any question for Reiko folks on the deferral, or on the Bill itself? Does anyone want to have discussion on the Bill before we make the motion to defer?

Councilmember Kualii moved to defer Bill No. 2828, seconded by Councilmember Cowden.

Committee Chair Evslin: Roll call vote to defer.

(Written testimony was received and one registered speaker testified regarding this agenda item.)

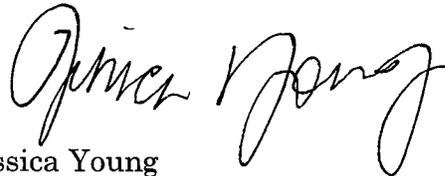
The motion to defer Bill No. 2828 was then put, and carried by the following vote:

FOR DEFERRAL:	Chock, Cowden, Kualii, Evslin	TOTAL – 4,
AGAINST DEFERRAL:	DeCosta	TOTAL – 1,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Committee Chair Evslin: The motion is carried. Seeing no further business and hearing no objections, the Finance & Economic Development Committee Meeting is now adjourned.

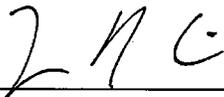
There being no further business, the meeting was adjourned at 2:13 p.m.

Respectfully submitted,



Jessica Young
Council Services Assistant I

APPROVED at the Committee Meeting held on October 6, 2021:



LUKE A. EVSLIN
Chair, FED Committee