

## MINUTES

### FINANCE & ECONOMIC DEVELOPMENT COMMITTEE

October 6, 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, October 6, 2021, at 12:18 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 Kualī'i  
Honorable Luke A. Evslin  
Honorable Bernard P. Carvalho, Jr., Ex-Officio Member  
Honorable Arryl Kaneshiro, Ex-Officio Member

Pursuant to Governor David Y. Ige's COVID-19 Delta Response Emergency Proclamation dated October 1, 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. Thank you for the opportunity to testify today. We do continue to strongly oppose Bill No. 2828. Thank you for allowing us to share our concerns with the Council.

We have looked up this issue and we believe this Bill is preempted by State law. While the County can tax real property, this measure predicates the proposed Real Property Tax scheme based on the specified number of vehicles which are personal property. We believe this exceeds the County's taxing authority. The Legislature has specifically prescribed, by statute, the taxes that counties are permitted to levy on motor vehicles and is an indication that this Bill does not appropriately belong in a County Real Property Tax scheme. We also believe this Bill violates the Equal Protection Clause of the Constitution, because it actively treats similar entities differently. Many businesses use motor vehicles that continuously move on and off property, that use County roads, and that contribute to traffic congestion. Yet, rental car operators are singled out in this Bill. Rental cars make up only about eight and one half percent (8.5%) of registered cars on Kaua'i. The rental car companies already pay Real Property Tax at the Industrial rate, contribute to State and County motor vehicle fees, and pay the rental motor vehicle surcharge. They are also an employer and provide jobs to

residents. Enterprise Rent-A-Car is very open to working with the Administration and the Council to find solutions identified in the Bill. At this time, we ask that the measure be deferred in favor of allowing continued discussions to occur. Thank you for your time. *Aloha.*

Council Chair Kaneshiro: Thank you, Tiffany.

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

Minutes of the September 15, 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 15, 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 to the December 1, 2021.)

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

Committee Chair Evslin: We received written testimony on this item, and we had one (1) registered speaker that provided testimony earlier. This is the rental car operations Real Property Tax Class Bill that we deferred at the last meeting to give time to the Administration to look into concerns that were raised in submitted testimony. The Administration has submitted another request to defer this matter to the December 1, 2021, Committee Meeting. I personally would like to honor that request, but before we make that motion to defer, which will cut off all discussion, does anyone have any questions for the Administration? Councilmember Cowden.

Councilmember Cowden: Can you just tell us why we want to defer? I will support it, but maybe just so we have it on the record.

There being no objection, the rules were suspended.

MICHAEL A. DAHILIG, Managing Director (*via remote technology*): Good afternoon. Just in response, Councilmember Cowden, our request for deferral was

transmitted predicated on ongoing discussions that we have been having with the members of the rental car community that have reached out and have been wanting to discuss the broader contextual issues relating to traffic on the island. I think we certainly would always prefer a nonlegal recourse for any type of potential solutions to things and we feel that having a couple of months to talk through some of what the private sector can do as community members to commit to the process, should be heard out. We certainly want to do that. We will be reaching out formally to the Council Chair and the Committee Chair, about trying to start including them into discussions with these members to see if there can be a better understanding of what is happening here and how this can be resolved by private-sector action, and not just through mandates. I do not want to give the impression that the discussions are going to result in some type of magical or grammary-types of responses, but we should at least let the response time be allowed with a deferral, so that we can have some free discussion. At this point, we do want to respect that outreach and allow for some free discourse to happen before moving on with potential amendments that we would present to the Council in a couple of months.

Councilmember Cowden: Thank you. I appreciate that and I think it is always a good opportunity, where possible, to work together if we can. If there is a good solution, thank you for looking into that.

Committee Chair Evslin: Members, are there any additional questions.

There being no objections, the meeting was called back to order and proceeded as follows:

Committee Chair Evslin: Could we get a motion to defer to December 1, 2021?

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

Councilmember Chock moved to defer Bill No. 2828 to December 1, 2021, seconded by Councilmember Carvalho, and carried by the following vote:

FOR DEFERRAL:	Chock, Cowden, DeCosta, Kualii, Evslin	TOTAL – 5,
AGAINST DEFERRAL:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

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

The meeting proceeded on its agenda items, as shown in the following Committee Reports, which are incorporated herein by reference:

**CR-FED 2021-09:** on Bill No. 2832      A BILL FOR AN ORDINANCE AMENDING CHAPTER 5, SECTION 5-2.4, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO MOTOR VEHICLE CERTIFICATE OF OWNERSHIP AND REGISTRATION FEES **(Approved.)**

**CR-FED 2021-10:** on Bill No. 2833      A BILL FOR AN ORDINANCE AMENDING CHAPTER 17, SECTION 17-1.1 KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO THE GENERAL PROVISIONS RELATING TO MOTOR VEHICLES AND TRAFFIC REGULATIONS **(Approved.)**

There being no further business, the meeting was adjourned at 12:26 p.m.

Respectfully submitted,



KarLyn Sukehira  
Council Services Assistant I

APPROVED at the Committee Meeting held on October 20, 2021:

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LUKE A. EVSLIN  
Chair, FED Committee