

*Hawaii Aloha* by HPMA Executive Director Robert Fung

## HPMA Welcomes Eric Wright and Thanks Kimo Haynes

*I'm pleased to announce* that Eric Wright of Par Hawaii LLC, has assumed leadership of HPMA as of July 1st. I look forward to working with Eric, and to an exciting year ahead. A big, but somewhat belated, welcome to Jon Mauer and Al Chee (IES Retail LLC) who joined the HPMA board earlier in the year. Finally, I would also like to recognize and thank our past President, Kimo Haynes (Hawaii Petroleum LLC) for his years of dedicated leadership and service to the Association.

## Hawaii Allows Vaccination "Passport" Program for Fully Vaccinated Trans-Pacific Travel

*As we continue our painfully slow march* to the new normal, Hawaii's Governor David Ige announced that beginning July 8, 2021, fully vaccinated passengers would be allowed to fly to Hawaii without pre-testing or quarantining. Please remember, however, that you must upload your vaccination "passport" to the State's Safe Travels website <https://travel.hawaii.gov/#/>, and arrive with a hard copy of your vaccination card.

### Hawaii's COVID-19 Vaccination Program

*Governor Ige has announced* that once Hawaii hits the 70% vaccination rate, all COVID restrictions in Hawaii will be lifted! Unlike other states, masks are still required indoors, and there is still limited capacity for restaurants, retail shops and indoor events. So far, the state has administered roughly 1.75 million doses of the COVID-19 vaccines which means roughly 60% of the State's population has been fully vaccinated. Supply is available, and currently, anyone over 12 years is eligible to get a vaccine in Hawaii. Unfortunately, like other states, Hawaii has seen a surge of new COVID-19 Delta Variant cases among the unvaccinated. Today's seven-day average case count for Hawaii is 230 and the seven-day average positivity rate is 5.1%. If this surge continues, it is unlikely Hawaii will lift all COVID restrictions even if we do hit the 70% vaccination rate.

## Legislative Session 2021

*Of the roughly 2,800 bills introduced by the Hawaii State Legislature*, 265 bills were enrolled to the Governor for signature. The Governor signed 236 bills, and 4 bills became law without the Governor's signature. Gov. Ige vetoed a record 27 bills, and 6 of the vetoed bills were overridden by the Legislature.

As expected, Governor David Ige signed into law the following bills impacting our industry:

**HB552 HD1 SD2 CD1** (Clean Ground Transportation Goals; Fleet Procurement). Establishes clean ground transportation goals for state agencies to achieve one hundred percent of light-duty passenger cars to be zero-emission vehicles by December 31, 2030, and one hundred per cent of light-duty non-passenger cars to be zero-emission by December 31, 2035.

**HB1142 HD2 SD2 CD1** (Electric Vehicle Charging Systems). Allocates three cents of the state "barrel tax" to fund the installation of EV charging systems. The state of Hawaii assesses distributors of petroleum products a tax of \$1.05 per barrel sold in Hawaii (other than to a refiner and except jet fuel), which we fondly call the "barrel tax." The "barrel tax" started in 1993 as a 5-cent tax on each barrel of petroleum products sold in Hawaii (with the noted exceptions) to serve as an environmental response fund, and was designed to sunset in 2015. Since then, the sunset has been repealed and the "barrel tax" has grown to \$1.05 per barrel and morphed into a money grab to fund energy and food security programs, as well as for the state's general fund. And now the "barrel tax" will also fund EV charging systems!

Also, as expected, Governor Ige vetoed the following bills impacting our industry:

**HB58 HD1 SD1 CD1** (General Excise Tax; Use Tax; Conveyance Tax). From 1/1/2022 through 12/31/2023, certain general excise and use tax exemptions will be suspended. The bill also increases conveyance taxes for the sale of non-commercial properties valued at \$4,000,000 or greater.

**HB1296 HD1 SD2 CD1** (Hawaii Tobacco Settlement Special Fund Repeal). This bill basically repeals the existing Hawaii tobacco prevention and control trust fund and transfers unencumbered balances to the state general fund on 6/30/2025 – another attempted money grab!

The Legislature met to consider veto overrides, but they were not able to override either of the above vetoed bills. However, the Legislature did override 6 vetoed bills. The only significant override was HB862 HD2 SD2 CD1 which eliminates dedicated funding (from the hotel tax) to the Hawaii Tourism Authority (HTA), and also cut the budget for the HTA. The HTA must now seek funding each year from the Legislature.

The new law also eliminates the roughly \$103 million annual County share of revenue from the State hotel tax. This was another pure money grab by the State – instead of sending the hotel tax money to the Counties (which had been the practice for decades), the State now keeps it. The Legislature did throw the Counties a bone, and each County is now allowed to impose its own 3% hotel tax on top of the state's 10.25% hotel tax! Despite long opposition of the “gut and replace” approach by the Legislature (in the 11th hour behind closed doors in conference committee), the Legislature used this approach to make major changes to punish the HTA, and to grab money - originally designed to fund the Counties – for itself.

## **HPMA Fall Golf Tournament at Oahu Country Club**

*The next HPMA golf tournament* will be held on November 1, 2021, at Oahu Country Club. Please plan to join us as it helps to support the WPMA Scholarship Foundation, the EMA SBC PAC Fund, and HPMA. Register now at [www.wpma.com/hawaii](http://www.wpma.com/hawaii). *Hope to see you there!* (Note: Cancelled September 2021)