

Honolulu, Hawaii

MAR 15 , 2024

RE: S.B. No. 3006  
S.D. 2  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Tourism, to which was referred S.B. No. 3006, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE CONVENTION CENTER,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Exempt the Convention Center from certain requirements regarding concessions on public property;
- (2) Authorize the Hawaii Tourism Authority to sell or lease naming rights of the convention center facility; and
- (3) Facilitate advertising and marketing in and on the convention center facility.

Your Committee received testimony in support of this measure from the Hawai'i Tourism Authority and Hawai'i Lodging & Tourism Association. Your Committee received testimony in opposition to this measure from UNITE HERE Local 5 and two individuals. Your Committee received comments on this measure from the Department of Budget and Finance.



Your Committee finds that many prestigious venues across the nation have sold naming rights, which for the Convention Center is valued at up to \$500,000 in the first year, escalating to a twenty-year agreement value of over \$13,000,000. This measure opens up additional possibilities for funding to address the Center's repair and maintenance needs.

Your Committee notes the concerns of the Department of Budget and Finance noting that the federal Internal Revenue Code prohibits certain private-use activities, including naming rights and other advertising, in facilities financed by tax-exempt general obligations bonds, and the potential that this measure may not be compliant with the Internal Revenue Code, thereby jeopardizing the State's ability to maintain its tax-exempt status for bonds used to finance the Convention Center. Your Committee will continue to work with the Department so as to not jeopardize the State's tax-exempt status for bonds used to finance the Convention Center.

Your Committee has amended this measure by:

- (1) Specifying that authorized advertising that is exempt from outdoor advertising prohibitions at the Convention Center is to be inside the Center; of the same size, illumination, and color; and in the same location as the existing "Hawaii Convention Center" sign, rather than any outdoor advertising device in or on the convention center;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3006, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3006, S.D. 2, H.D. 1, and be referred to your Committee on Finance.



Respectfully submitted on  
behalf of the members of the  
Committee on Tourism,

  
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SEAN QUINLAN, Chair



