

STAND. COM. REP. NO.

391

Honolulu, Hawaii

FEB 12 2025

RE: S.B. No. 986

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Economic Development and Tourism, to which was referred S.B. No. 986 entitled:

"A BILL FOR AN ACT RELATED TO TOURISM,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Amend the types of occurrences for which the Hawaii Tourism Authority Board of Directors may request the Governor to declare a tourism emergency; and
- (2) Reduce the minimum balance to be maintained in the Tourism Emergency Special Fund through an allocation of Transient Accommodations Tax revenues.

Your Committee received comments on this measure from the Hawai'i Tourism Authority, Tax Foundation of Hawaii, and Maui Chamber of Commerce.

Your Committee finds that the Tourism Emergency Special Fund was established in 2007, to be administered by the Hawaii Tourism Authority. By reducing the minimum balance required to exist within the Special Fund and amending the types of occurrences for which the Authority can request an emergency be declared, this measure will free up funding for other tourism initiatives.



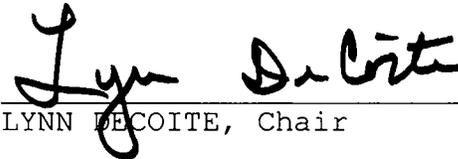
Your Committee notes the suggestion from the Tax Foundation of Hawaii that all types of emergency funds be consolidated into the existing Emergency and Budget Reserve Fund to enable efficient use of the funds in the event an emergency does arise. Your Committee finds that this issue raises concerns that merit further consideration and respectfully requests that subsequent Committees to which this measure is referred examine this matter.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 986, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 986, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development and Tourism,


LYNN DECOITE, Chair



