

Honolulu, Hawaii

MAR 01 2007

RE: S.B. No. 866  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Madam:

Your Committee on Tourism and Government Operations, to which  
was referred S.B. No. 866 entitled:

"A BILL FOR AN ACT RELATING TO TOURISM,"

begs leave to report as follows:

The purpose of this measure is to prohibit anyone who has served on the board of directors of the Hawaii Visitors and Convention Bureau (HVCB), a private entity, from serving on the board of the Hawaii Tourism Authority (HTA) for a two-year period immediately following service on the board of the HVCB.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority and one individual.

Your Committee finds that the *Special Master's Report to the Hawaii Tourism Authority on Recommendations Regarding The Hawaii Visitors and Convention Bureau*, dated December 31, 2003, by the Candon Consulting Group, LLC, recommended that the independence of the respective boards of directors of the HTA and the HVCB be preserved. There have been and are individuals who have served consecutively as directors of both the HTA board and the HVCB board and visa-versa. This situation invites questions about the arm's length nature of the relationship between these two boards and their respective organizations. If enough members of each board regularly switch from one to the other, the independence of each entity would diminish or disappear. Your Committee notes that the intent of this measure is already embodied in HTA's current policy.



Your Committee believes that because tourism marketing contracts are executed between the HTA and the HVCB through a process that is exempt from the State Procurement Code, it is necessary to establish safeguards such as the two-year board service moratorium to ensure propriety.

The intent of this measure is to ensure that the HTA and HVCB boards function independently from each other and that the relationship between the two boards remain at arm's length when the two entities transact tourism marketing contracts.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 866, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 866, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Tourism and  
Government Operations,

  
CLARENCE K. NISHIHARA, Chair



The Senate  
Twenty-Fourth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Tourism and Government Operations**  
**TSG**

Bill / Resolution No.:*	Committee Referral:	Date:
SB866	TSG	2-22-07


☐ The committee is reconsidering its previous decision on this measure.  
If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

☐ Pass, unamended 2312    
 ☒ Pass, with amendments 2311    
 ☐ Hold 2310    
 ☐ Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
NISHIHARA, Clarence K. (C)	/			
KIM, Donna Mercado (VC)	/			
TSUTSUI, Shan S.				/
TRIMBLE, Gordon	/			
<b>TOTAL</b>	<b>3</b>			<b>1</b>

Recommendation: ☒ Adopted     ☐ Not Adopted

Chair's or Designee's Signature:  


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\*Only one measure per Record of Votes