STAND. COM. REP. NO.

Honolulu, Hawaii

## MAR 27 2009

RE: H.B. No. 1204 H.D. 2 S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fifth State Legislature Regular Session of 2009 State of Hawaii

Madam:

Your Committee on Tourism, to which was referred H.B. No. 1204, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TOURISM,"

begs leave to report as follows:

The purpose of this measure is to clarify the disposition and distribution of revenues of the transient accommodations tax by:

- (1) Deleting the requirement to deposit excess transient accommodations tax revenues into the general fund;
- (2) Depositing the remaining revenues of an unspecified amount, after deposits and distributions under current law, into the tourism special fund in fiscal years 2009-2010 and 2010-2011, with any remaining revenues to be deposited into the general fund, and entirely into the general fund beginning fiscal year 2011-2012 and each fiscal year thereafter.

Your Committee received testimony in support of this measure from the Hawai'i Tourism Authority; Grand Hyatt Kauai Resort & Spa; Maui Hotel & Lodging Association; The Chamber of Commerce of Hawaii; Hawai'i Hotel & Lodging Association; Retail Merchants of Hawaii; Outrigger Hotels; Hilton Hawaii; and Destination Resorts Hawaii. Testimony in opposition was received from the Department of Taxation; Department of Budget and Finance; and one individual. Comments were received from the State Tourism Liaison and Tax



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Foundation of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that an increase in revenue for the tourism special fund will better enable the Hawaii Tourism Authority to carry out its basic function to increase tourism to the State. Ultimately, the additional distribution of funds will enable the visitor industry to remain viable through the investment of much needed marketing and funding of programs to stimulate travel to Hawaii.

Your Committee has amended this measure to change the effective date to July 1, 2050, to continue the discussions on this matter.

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 H.B. No. 1204, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1204, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

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

Marina Kon

CLARENCE K. NISHIHARA, Chair



## The Senate Twenty-Fifth Legislature State of Hawaii

## Record of Votes Committee on Tourism TSM

Bill / Resolution No.:*	Committee Referral:			Date:	
HB 1204, HD2	TSM, WAM 3/24/07				
The committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
NISHIHARA, Clarence K. (C)					· · · · · · · · · · · · · · · · · · ·
GALUTERIA, Brickwood (VC)					
KIDANI, Michelle N.				11	
TSUTSUI, Shan S.					
SLOM, Sam					
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Recommendation:					
Chair's or Designee's Signature:					
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## \*Only <u>one</u> measure per Record of Votes