RE: S.B. No. 1272
        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 S.B.
No. 1272 entitled:

    "A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

    The purpose of this measure is to increase the amount of
monies that may be allocated among certain special funds that
benefit from the tourism special fund's allocation of transient
accommodations tax revenues and to authorize the use of a portion
of those monies for invasive species prevention.

    Specifically, the measure:

(1) Increases the amount of monies being allocated among
     special funds benefitting from the tourism special
     fund's allocation of transient accommodations tax
     revenues from the first $1,000,000 in revenues deposited
     to the first $2,000,000 in revenues deposited into the
     tourism special fund;

(2) Changes the percentages of transient accommodations tax
     revenue that may be transferred from the tourism special
     fund to the state parks special fund and special land
     and development fund, respectively; and

(3) Adds the pest inspection, quarantine, and eradication
     fund to the list of funds that may receive a percentage

of transient accommodations tax revenue deposited in the tourism special fund.

Your Committee received testimony in opposition to this measure from the Department of Business, Economic Development, and Tourism, the Department of Land and Natural Resources, Hawaii Tourism Authority, and the Hawaii Hotel and Lodging Association. Your Committee received comments on this measure from the Department of Agriculture, Outrigger Hotels, and the Tax Foundation of Hawaii.
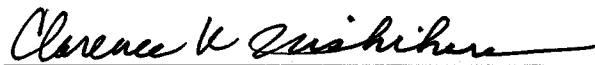
Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that tourism in Hawaii depends on the beauty of the islands. This measure attempts to direct funds necessary to ensure that state parks and trails are properly maintained and to ensure that pests, such as those that have inhabited the beaches of Tahiti, do not deter tourists from choosing Hawaii as a return destination for their next vacation or convention. However, your Committee further finds that concerns have been raised regarding the $2,000,000 aggregate limit on funds that may be transferred from the tourism special fund to the state parks special fund, the special land and development fund, and the pest inspection, quarantine, and eradication fund.

Accordingly, your Committee has amended this measure by removing the $2,000,000 limit on fund transfers and leaving the limit amount unspecified.

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. 1272, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1272, 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,

CLARENCE K. NISHIHARA, Chair

2009-1117 SSCR SMA.doc

Record of Votes
Committee on Tourism
TSM

Bill / Resolution No.:*	Committee Referral:	Date:
SB 1272	TSM, WAM	2/12/09

☐ 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)	✓			
GALUTERIA, Brickwood (VC)	✓			
KIDANI, Michelle N.	✓			
TSUTSUI, Shan S.				✓
SLOM, Sam				✓
TOTAL	3			2

Recommendation:

☑ Adopted   ☐ Not Adopted

Chair's or Designee's Signature:

*Only <u>one</u> measure per Record of Votes

Revised: 12/18/08