CONFERENCE COMMITTEE REP. NO.

Honolulu, Hawaii

APR 1 9 2010 , 2010

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RE:

S.D. 2

S.B. No. 2607

H.D. 1

C.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fifth State Legislature Regular Session of 2010 State of Hawaii

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2010 State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2607, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ACTIVITY DESKS,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to provide greater protections for consumers and providers of activity desks by:

- (1) Establishing record keeping and trust account requirements for client trust accounts held by activity desks;
- (2) Clarifying that activity desks shall include registration numbers on all advertising materials;
- (3) Requiring an activity desk to obtain full payment for activities prior to or at the time reservations are made, subject to certain exceptions;

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- (4) Requiring that sums paid to an activity desk shall be held in trust; and
- (5) Increasing the required amount of bond or letter of credit from \$100,000 to \$250,000.

Your Committee on Conference finds that this measure will provide additional protection for customers as well as clarification of the legal requirements for activity providers.

Your Committee on Conference has amended this measure by:

- Deleting the statutory authorization for the Director of Commerce and Consumer Affairs to allow, by rule, the use of other types of funds or accounts;
- (2) Amending the effective date from January 1, 2112, to July 1, 2010; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2607, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2607, S.D. 2, H.D. 1, C.D. 1.

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Respectfully submitted on behalf of the managers:

ON THE PART OF THE SENATE

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CLARENCE K. NISHIHARA, Chair

ROSALYN H. BAKER, Co-Chair

ON THE PART OF THE HOUSE

VAI JOEY Co-Chair M GLEIN Chair JON FIKI KARAMATSU, Co-Chair



Hawaii State Legislature



Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: SB 2607, SD 2, HD 1				Date/Time: 41510					
	House and S	Senate	mana	gers	is to pass with amendments (CD).				
The Committee is reconsider	ring its prev	ious de	ecisio	n.		<u> </u>			
The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	Е	House Managers	A	WR	N	E
NISHIHARA, Clarence K., Chr.	V				MANAHAN, Joey, Co-Chr.	1			
BAKER, Rosalyn H., Co-Chr.	V				WAKAI, Glenn, Co-Chr.				
GALUTERIA, Brickwood					KARAMATSU, Jon Riki, Co-Chr.				1
TSUTSUI, Shan S.				~	LEE, Chris	~			
SLOM, Sam	· · · · · · · · · · · · · · · · · · ·			V	TOKIOKA, James Kunane				~
				<u> </u>	MARUMOTO, Barbara C.	1			- `
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TOTAL	3		-	2	TOTAL	4	-		2
A = Aye	WR = Ay	e with	Reser	vation		$\mathbf{E} = \mathbf{E}\mathbf{x}\mathbf{c}$	cused		
Senate Recommendation is:				House Recommendation is:					
Adopted U Not Adopted					Adopted I Not Adopted				
Senate Lead Chair's or Designee's Signature:					House Lead Chair's or Designee's Signature:				
Distribution: O File with Confere	Yellow Pink Goldenrod use Clerk's Office Senate Clerk's Office Drafting Agency								

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