

Honolulu, Hawaii

FEB 15 2013

RE: S.B. No. 950
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committees on Water and Land and Tourism and Hawaiian
Affairs, to which was referred S.B. No. 950 entitled:

"A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS TAX,"

beg leave to report as follows:

The purpose and intent of this measure is to reallocate the portions of transient accommodations tax revenue deposited into the tourism special fund for deposit into the state parks special fund, special land and development fund, and conservation and resources enforcement special fund.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and three individuals. Your Committees received testimony in opposition to this measure from the Hawaii Tourism Authority. Your Committees received comments on this measure from the Tax Foundation of Hawaii.

Your Committees find that additional funding for state parks, the Na Ala Hele trail and access program, and the Division of Conservation and Resources Enforcement of the Department of Land and Natural Resources provides greater natural resource protection for future generations. According to testimony of the Department of Land and Natural Resources, transient accommodations tax revenues received by the Department have allowed it to make significant improvements to the parks and trails for the benefit of the public.



Your Committees believe that the funding under this measure should not be the sole source of revenues for the Department of Land and Natural Resources or the Hawaii Tourism Authority. Other entities that benefit from this measure include the counties and the federal government, and the private sector.

Your Committees note that state government and private entities may have been at odds because of the tendency for people and interest groups to work in silos rather than through an integrated and coordinated effort toward the greater common good. Approaches to problem solving need to be more collaborative in order to achieve a more efficient, effective, and productive government that is fair and equitable to all people of Hawaii.

Your Committees have amended this measure by:

- (1) Requiring transient accommodations tax revenues deposited into the special land and development fund to be expended subject to the mutual agreement of the Board of Land and Natural Resources and the Board of Directors of the Hawaii Tourism Authority and in accordance with the Hawaii Tourism Authority strategic plan;
- (2) Repealing the \$71,000,000 cap on transient accommodations tax revenues deposited into the tourism special fund and reducing the allocation to the tourism special fund from 34.2 percent to 23.4 percent;
- (3) Deleting the language authorizing expenditure of portions of the transient accommodations tax revenues deposited into the tourism special fund for development and implementation of initiatives to take advantage of expanded visa programs and increased travel opportunities for international visitors to Hawaii;
- (4) Deleting the language that would have deposited a portion of transient accommodations tax revenue into the conservation and resources enforcement special fund and making a conforming amendment;
- (5) Amending the allocation of transient accommodations tax revenues to the state parks special fund and special land and development fund by specifying that one percent of transient accommodations tax collections, up to \$4,000,000, shall be deposited as follows:



- (A) \$2,000,000 into the state parks special fund, with certain conditions on expenditures of those funds; and
- (B) The amount in excess of \$2,000,000 into the special land and development fund, specifying authorized uses for those funds;
- (6) Inserting language to transfer \$400,000, out of the amounts deposited into the special land and development fund pursuant to this measure for fiscal year 2013-2014, to the beach restoration special fund and appropriating those funds as matching funds for the environmental impact statement associated with the planned beach nourishment project at Kaanapali Beach on the island of Maui;
- (7) Requiring the Department of Land and Natural Resources and the Hawaii Tourism Authority to seek additional or supplemental funding from the counties, the federal government, and private entities to accomplish the purposes of this Act; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water and Land and Tourism and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 950, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 950, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Water and Land
and Tourism and Hawaiian
Affairs,

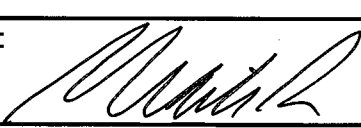


BRICKWOOD GALUTERIA, Chair

MALAMA SOLOMON, Chair

The Senate
Twenty-Seventh Legislature
State of Hawai'i

Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 950</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">WTL/THA, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2/12/13</div>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
SOLOMON, Malama (C)	✓			
SHIMABUKURO, Maile S.L. (VC)	✓			
DELA CRUZ, Donovan M.	✓			
IHARA, Jr., Les		✓		
RUDERMAN, Russell E.				✓
THIELEN, Laura H.				✓
SLOM, Sam				✓
TOTAL	3	1		3
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; margin-top: 10px; text-align: center;">  </div>				
<div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div>Distribution:</div> <div>Original</div> <div>Yellow</div> <div>Pink</div> <div>Goldenrod</div> </div> <div style="display: flex; justify-content: space-between; font-size: 0.8em; margin-top: 5px;"> <div>File with Committee Report</div> <div>Clerk's Office</div> <div>Drafting Agency</div> <div>Committee File Copy</div> </div>				

*Only one measure per Record of Votes

The Senate
Twenty-Seventh Legislature
State of Hawai'i

Record of Votes
Committee on Tourism and Hawaiian Affairs
THA

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Members	Aye	Aye (WR)	Nay	Excused
GALUTERIA, Brickwood (C)	✓			
KEITH-AGARAN, Gilbert S.C. (VC)	✓			
HEE, Clayton				✓
KAHELE, Gilbert	✓			
KIDANI, Michelle N.				✓
SHIMABUKURO, Maile S.L.	✓			
SOLOMON, Malama	✓			
SLOM, Sam				✓
TOTAL	5			3
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; margin-top: 10px;"> </div>				
<div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> Distribution: Original File with Committee Report </div> <div style="text-align: center;"> Yellow Clerk's Office </div> <div style="text-align: center;"> Pink Drafting Agency </div> <div style="text-align: center;"> Goldenrod Committee File Copy </div> </div>				

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