HOUSE CONCURRENT RESOLUTION

URGING THE COUNTY COUNCILS TO ENACT LEGISLATION THAT ADDRESSES THE CONCERNS ASSOCIATED WITH THE CONVERSION OF HAWAII'S TRADITIONAL RESORT HOTEL ROOMS INTO CONDOMINIUMS, CONDOMINIUM HOTELS, TIMESHARES, OR INDIVIDUAL VACATION UNITS.

WHEREAS, tourism is the State's dominant industry comprising 22 percent of the State's gross domestic product and generating \$14,300,000,000 in visitor expenditures while generating \$1,500,000,000 in tax revenue and 150,000 direct and indirect jobs annually; and

WHEREAS, in 2012, general excise tax revenue generated from visitor expenditures totaled \$570,000,000 and an additional \$232,000,000 from the transient accommodations tax; and

WHEREAS, tax revenues are used to support the functions of government, including the funding of our public education system, infrastructure needs, public safety, parks, public utilities, facilities, and other general services for the good of the community; and

WHEREAS, trained hotel workers in their daily interaction with visitors help to support and implement the Aloha Spirit Law enacted by the Legislature in 1986; and

WHEREAS, the Legislature appropriates \$69,000,000 annually to brand, market, and continue to keep Hawaii's tourism industry successful; and

WHEREAS, the ownership and financing structure of Hawaii's hotels and resorts has changed drastically and the trend to convert traditional hotels into nontraditional lodging such as condominium hotels and timeshares has resulted in an overall loss of 3,250 jobs in the accommodations sector between 2006 and 2011 for a loss of \$34,000,000 each year in tax revenue; and HCR HMS 2014-2448



 WHEREAS, the State lost 15 percent of its traditional resort hotel rooms between 2000 and 2011, and during the same period the rate of known individual vacation units increased by 821 percent; and

WHEREAS, at the iconic Ilikai Hotel in Waikiki, the number of jobs has decreased from more than 500 to less than 60 due to the loss and conversion of traditional resort hotel rooms to condominium and timeshare units; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twenty-seventh Legislature of the State of Hawaii, Regular Session of 2014, the Senate concurring, that this body urges the County Councils to enact legislation that addresses the concerns associated with the conversion of Hawaii's traditional resort hotel rooms into condominiums, condominium hotels, timeshares, or individual vacation units by removing incentives for the construction or renovation of those types of lodging, defining the categories of lodging, and instituting zoning ordinances that would further examine the actual benefits of conversion projects prior to their approval; and

BE IT FURTHER RESOLVED that the Department of Business, Economic Development, and Tourism, in coordination with the Hawaii Tourism Authority, is requested to provide a monthly, public report that tracks the growth and loss of full-time equivalent jobs and average wages as an indicator of the health of the visitor industry; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to Hawaii's congressional delegation; the Chair of the Hawaii Tourism Authority Board of Directors; the President and Chief Executive Officer of the Hawaii Tourism Authority; the Director of Business, Economic Development, and Tourism; the Director of Labor and Industrial Relations; the Mayors of each county; and the Chairpersons of the County Councils of Hawaii, Maui, Kauai and the City and County of Honolaly.

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OFFERED BY: ON GRANGE CONSTRUCTION

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