

# SB2673 SD1

Measure Title: RELATING TO TRAVEL AGENCIES.  
Report Title: Travel Agency; Activity Desk; Registration  
Description: Requires a travel agency that sells activities individually or as part of a tour package to register as an activity desk. (SD1)  
Companion:  
Package: None  
Current Referral: TSI, CPH  
Introducer(s): BAKER, KIDANI, Wakai



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**PRESENTATION OF THE  
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION**

TO THE SENATE COMMITTEE ON  
COMMERCE, CONSUMER PROTECTION, AND HEALTH

TWENTY-EIGHTH LEGISLATURE  
Regular Session of 2016

Friday, February 26, 2016  
10:30 a.m.

**WRITTEN TESTIMONY ONLY**

**TESTIMONY ON SENATE BILL NO. 2673, S.D. 1, RELATING TO TRAVEL  
AGENCIES.**

TO THE HONORABLE ROSALYN H. BAKER, VICE-CHAIR,  
AND MEMBERS OF THE COMMITTEE:

My name is Carol Kramer and I am the Executive Officer for the Travel Agency Program, Department of Commerce and Consumer Affairs ("Department"). The Department thanks you for the opportunity to provide written comments on Senate Bill No. 2673, S.D. 1, which proposes to add a new section to require a travel agency selling activities individually or as part of a package to register as an activity desk.

When a travel agency sells activities separately, the Department agrees the travel agency shall register as an activity desk. Customer payments for travel services

and activities are deposited into separate client trust accounts, under §468L-5, Hawaii Revised Statutes (“HRS”), and §468M-9, HRS, respectively.

The Department questions the need for those travel agencies selling activities as part of a package tour to register for two licenses. Requiring two licenses hampers business, over-regulates and replicates consumer protection already afforded in Chapter 468L, HRS. Consumer protection is in place under both chapters with the requirement of a client trust account.

The definition of “travel services” in Chapter 468L, HRS, includes package tours, which include the sale of activities. The legislative history shows the intent when creating the definition of travel services under §468L-1, HRS, that “the definition of ‘travel services’ has been expanded so that those who sell visitors’ activities are included within the purview of this bill.” (L1991, c 285, pt of §1; SB 390)

To require travel agencies to register as activity desks when selling activities as part of a package tour will not provide better consumer protection nor will it bring any more clarity to the law.

Thank you for the opportunity to submit written comments on Senate Bill No. 2673, S.D. 1.



Activities & Attractions Association of Hawaii  
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**Testimony to the**  
**COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH**

Senator Rosalyn H. Baker, Chair  
Senator Michelle N. Kidani, Vice Chair

**Friday, February 26, 2016, 10:30 am**  
**Conference Room 229**

**RE: Support SB2673.SD1 RELATING TO TRAVEL AGENCIES**

Aloha Chair Senator Baker and Vice Chair Senator Kidani & Members of the committee;

Mahalo for this opportunity to testify, my name is Toni Marie Davis. For the last 18 years it has been my honor to serve the Activity & Attraction industry of Hawaii through my position as the Executive Director of A3H (Activities & Attractions Association of Hawaii). A3H represents nearly 200 businesses statewide. Our members range in size from very large (over 300 employees) to very small (1-2 employees). **A3H SUPPORTS SB2673.SD1 as written.**

**HRS468L** addresses the role and requirements of a licensed Travel Agent in the state of Hawaii. This chapter involves consumer protection as it relates to the sale of Air, Room, Car, Transfers and baggage services. Over time, the role of a Hawaii Travel Agent has expanded to include booking the many fun things to do for inbound visitors. There is a requirement for obtaining an AD license when booking Hawaii's Activities & Attractions.

**HRS468M** is a chapter specifically addressing the relationship between the Activity Desks and Activity Providers. This chapter provides checks and balances regarding this unique situation where money is collected from the consumer and disbursed following services being rendered. The assurances in HRS468M protect the consumer and the Activity Provider. These same protections are not covered in HRS468L, therefore if a TAR licensed entity sells Activity Provider products as defined in HRS468M, they should also be required to obtain an AD license.

Sincerely,

Toni Marie Davis  
Executive Director

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**Subject:** \*Submitted testimony for SB2673 on Feb 26, 2016 10:30AM\*  
**Date:** Tuesday, February 23, 2016 12:34:05 PM

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**SB2673**

Submitted on: 2/23/2016

Testimony for CPH on Feb 26, 2016 10:30AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Chandra Bertsch	Holo Holo Charters	Support	No

Comments:

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2/24/2016

**COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH**  
**Senator Rosalyn H. Baker, Chair**  
**Senator Michelle N. Kidani, Vice Chair**

Date/Time of Hearing: February 26, 2016, 10:30 PM  
Measure No. and Title: SB2673

**SUPPORTIVE TESTIMONY**

Chair Case, Vice Chair Kidani and Senators of the CPC Committee:

Quicksilver Charters and its affiliates (the “Company”) employ close to 100 people in Hawaii’s boating and tourism industries. We join the Activities & Attractions Association of Hawaii in supporting this bill.

As an activity provider in the State of Hawaii, it is critical that a system of checks and balances exists to protect the consumer and the activity provider. Numerous TAR licensed entities sell our activities separately, but they do not register as an activity desk. Unfortunately the TAR entities do not have the same standards for protecting consumer and activity provider funds for the sale of activities only. Also, anytime there is a TAR transaction (packaged deal or activity only), there must be the same protections for consumer and activity provider funds. By requiring TAR licensed entities to obtain AD licenses, consumer funds, as well as the activity provider funds, are better protected.

We respectfully support this bill.

Mahalo,  
Zachary LaPrade  
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