STAND. COM. REP. NO. 2345

Honolulu, Hawaii

FEB 1 4 2018

RE: S.B. No. 2489

S.D. 1

Honorable Ronald D. Kouchi President of the Senate Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committees on Economic Development, Tourism, and Technology and Commerce, Consumer Protection, and Health, to which was referred S.B. No. 2489 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

beg leave to report as follows:

The purpose and intent of this measure is to amend the formula for the amount of transient accommodations tax to be collected from time shares by increasing the base on which time shares are taxed.

Your Committees received testimony in opposition to this measure from the Maui Hotel and Lodging Association; Vistana Signature Experiences; American Resort Development Association, Marriott Vacations Worldwide Corporation; Wyndhm Vacation Ownership, Inc.; and Hawai'i Lodging and Tourism Association. Your Committees received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committees find there is a need to update an outdated formula for the amount of tax to be collected from time shares. Your Committees recognize the concerns of time share owners with the proposed increase in the formula's tax base; however, your Committees believe that increasing parity between hotels and time share units is important, as the formula for levying transient



accommodations taxes on time share units has not been adjusted since 1998.

Your Committees have amended this measure by inserting an effective date of January 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Economic Development, Tourism, and Technology and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2489, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2489, S.D. 1, and be referred to your Committee on Ways and Means.

> Respectfully submitted on behalf of the members of the Committees on Economic Development, Tourism, and Technology and Commerce, Consumer Protection, and Health,

GLENN WAKAT, Chaii

The Senate Twenty-Ninth Legislature State of Hawaiʻi

Record of Votes Committee on Economic Development, Tourism, and Technology ETT

Bill / Resolution No.:* Committee	Committee Referral: Date: 2/7/18						
The Committee is reconsidering its previous decision on this measure.							
If so, then the previous decision was to:							
The Recommendation is:							
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313							
Members	Aye	Aye (WR)	Nay	Excused			
WAKAI, Glenn (C)				_			
TANIGUCHI, Brian T. (VC)							
BAKER, Rosalyn H.							
GALUTERIA, Brickwood							
THIELEN, Laura H.							
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TOTAL	4			l			
Recommendation: Adopted Not Adopted							
Chair's or Designee's Signature:							
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy							

*Only one measure per Record of Votes

The Senate Twenty-Ninth Legislature State of Hawaiʻi

Record of Votes Committee on Commerce, Consumer Protection, and Health CPH

Bill / Resolution No.:*	Committee Referral:			Date:			
SB 2489	ETT/CPH, WAM 2/7/18				}		
The Committee is reconsidering its previous decision on this measure.							
If so, then the previous decision was to:							
The Recommendation is:							
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313							
Members		Aye	Aye (WR)) Nay	Excused		
BAKER, Rosalyn H. (C)		V					
TOKUDA, Jill N. (VC)					1		
CHANG, Stanley		V					
ESPERO, Will							
IHARA, Jr., Les		V					
NISHIHARA, Clarence K.					'		
RUDERMAN, Russell E.				·			
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TOTAL		4			3		
Recommendation:							
Adopted Not Adopted							
Chair's or Designee's Signature:							
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy							

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