

Honolulu, Hawaii

MAR 22 2019

RE: H.B. No. 548  
H.D. 2  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committees on Energy, Economic Development, and Tourism and Water and Land, to which was referred H.B. No. 548, H.D. 2, entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to allocate funds from transient accommodations tax revenues directly to the Hawaii Tourism Authority, rather than through the special land and development fund, in order to improve certain state facilities in accordance with the Authority's strategic plan.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and Hawai'i Tourism Authority. Your Committees received comments on this measure from the Tax Foundation of Hawaii.

Your Committees find that Hawaii continues to be one of the top destinations for vacationers. In 2017, the State received 9,404,346 visitors. That number is projected to increase to approximately 10,130,000 in 2019. As the number of visitors continues to grow, more strain is put on the State's facilities and natural resources, such as state parks, trails, small boat harbor facilities, and other natural areas that are operated and



maintained by state agencies. Your Committees believe that given the continued growth of visitors, more investment is needed in Hawaii's natural resources and environment.

Your Committees received testimony from the Department of Land and Natural Resources indicating that the Department has been increasing its collaboration and communication with the Hawaii Tourism Authority regarding the Authority's promotion of state parks, hiking trails, and beaches and the various impacts associated with tourism and that the agencies mutually concur that emphasis should be directed to quality of experience in a manner that reduces impacts.

The Department of Land and Natural Resources also indicated in its testimony that it does not support the provision in this measure that places the transient accommodations tax revenues under the purview of the Hawaii Tourism Authority and prefers instead a direct allocation of funds to its divisions and programs as a component of their base operating budget. Your Committees agree that a direct allocation would be more efficient and find that amendments to this measure are necessary to effectuate that intent.

Your Committees have amended this measure by:

- (1) Deleting the direct allocation of transient accommodations tax revenues to the Hawaii Tourism Authority; inserting a blank amount to be allocated as follows: fifty-five percent to the state parks special fund, thirty percent to the Na Ala Hele statewide trail and access program, and fifteen percent to the beach restoration special fund, and making conforming amendments; and
- (2) 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 Energy, Economic Development, and Tourism and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 548, H.D. 2, as amended herein, and recommend that it pass Second Reading in the



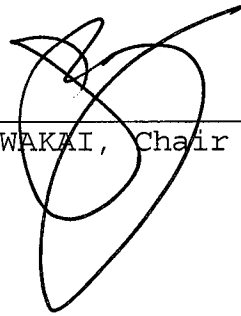
form attached hereto as H.B. No. 548, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Energy, Economic Development, and Tourism and Water and Land,



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KAIALA I. KAHALE, Chair



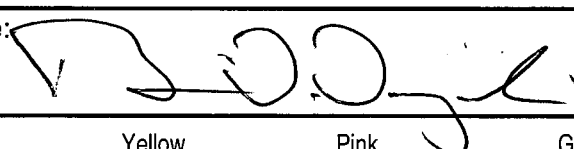
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GLENN WAKAI, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

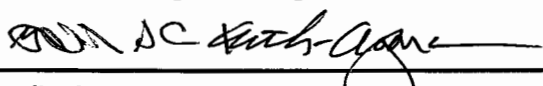
**Record of Votes**  
**Committee on Energy, Economic Development, and Tourism**  
**EET**

Bill / Resolution No.:*	Committee Referral:	Date:
HB 548 ADD	EET/WTL, WAM	3/18/19
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
Nay	Excused	
WAKAI, Glenn (C)	✓	
TANIGUCHI, Brian T. (VC)	✓	
INOUYE, Lorraine R.	✓	
KEOHOKALOLE, Jarrett	✓	
FEVELLA, Kurt		✓
<b>TOTAL</b>	4	0
0	0	1
Recommendation:		
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
		
<b>Distribution:</b>		
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency
Goldenrod Committee File Copy		

\*Only one measure per Record of Votes

The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Water and Land**  
**WTL**

Bill / Resolution No.:*	Committee Referral:	Date:		
<i>HB 548, HD 2</i>	<i>FET/WTL, WAM</i>	<i>5/12/19</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KAHELE, Kaiali'i (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
NISHIHARA, Clarence K.				X
RIVIERE, Gil	X			
FEVELLA, Kurt				X
<b>TOTAL</b>	<b>3</b>			<b>2</b>
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> 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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