

Honolulu, Hawaii
, 2026

FEB 18

RE: H.B. No. 1950
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committees on Tourism and Economic Development & Technology, to which was referred H.B. No. 1950 entitled:

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

beg leave to report as follows:

The purpose of this measure is to establish the State-Led Marketing and Branding Special Fund and require a portion of all transient accommodations tax revenues that would otherwise be deposited into the general fund to be deposited into the special fund, to be used for state-led marketing, branding, and tourism management.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Kohala Coast Resort Association; and Nanihoa Hotel 'Ohana. Your Committees received comments on this measure from the Hawaii Tourism Authority and Tax Foundation of Hawaii.

Your Committees find that the State's economy remains dependent on a healthy and vibrant visitor industry and that in 2025 the visitor industry supported approximately two hundred twenty thousand jobs directly and indirectly. Your Committees further find that state-led marketing will enable the State to curate its visitor profile to attract visitors who respect the



State's culture and environment and contribute more per capita to local businesses. This measure is intended to strengthen the State's economic well-being by establishing structure and reliable funding that will enable the State to maintain its global competitiveness in tourism and support responsible destination marketing that aligns with sustainable tourism principles.

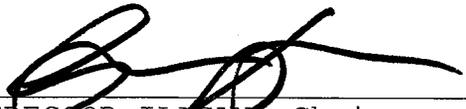
Your Committees have amended this measure by:

- (1) Deleting language prohibiting the appropriation of monies from the State-Led Marketing and Branding Special Fund in any fiscal year unless the Legislature has approved a comprehensive marketing, branding, and tourism management plan for that fiscal year;
- (2) Changing the amount of the transient accommodations tax to be allocated to the State-Led Marketing and Branding Special Fund to an unspecified percentage;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Development & Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1950, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1950, H.D. 1, and be referred to your Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committees on Tourism and
Economic Development &
Technology,



GREGGOR ILAGAN, Chair



ADRIAN K. T. M., Chair



