

Honolulu, Hawaii

Feb 17, 2006

RE: H.B. No. 1923
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 1923 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII TOURISM AUTHORITY,"

begs leave to report as follows:

The purpose of this bill is to maintain the operational efficiency of the Hawaii Tourism Authority (HTA) by, among other things, making permanent:

- (1) HTA's authority to retain attorneys independent of the Attorney General;
- (2) The exemption of HTA's accounts from supervision by the Comptroller;
- (3) The requirement that HTA preaudit all of its proposed payments to determine the propriety of expenditures and compliance with applicable laws;
- (4) The requirement that HTA maintain records and documents necessary to support its disbursements of funds for operating expenses;
- (5) The provision that exempts interest earned on moneys deposited by HTA into the Convention Center Enterprise Special Fund and the Tourism Special Fund (TSF) from being deposited into the state treasury;



- (6) HTA's authority to appoint a sports coordinator;
- (7) The provision that establishes that all interest and revenues or receipts derived by HTA from projects or project agreements shall be deposited into the TSF; and
- (8) The increase, to 5 percent from 3.5 percent, in TSF funds that may be used for administrative expenses.

HTA testified in support of this bill. The Department of the Attorney General (AG) opposed this measure in part.

The AG raised concerns over granting HTA permanent power to retain attorneys independent of the Attorney General. Your Committee finds that this matter should be dealt with cautiously and with the best interests of the State in mind.

Accordingly, your Committee has amended this bill by:

- (1) Extending by three years to June 30, 2010, rather than making permanent, the provision that grants HTA power to retain their own attorneys independent of the Attorney General;
- (2) Changing the effective date to January 1, 2096, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1923, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1923, H.D. 1.



Respectfully submitted on
behalf of the members of the
Committee on Judiciary,

A handwritten signature in black ink, appearing to read 'Sylvia Luke', written over a horizontal line.

SYLVIA LUKE, Chair



