

Honolulu, Hawaii

March 16, 2006

RE: S.B. No. 2974  
S.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 Tourism & Culture, to which was referred  
S.B. No. 2974, S.D. 1, 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 extending the repeal date of certain powers and requirements of the HTA to June 30, 2011. This bill, among other things, extends the repeal date to June 30, 2011, of the following provisions:

- (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) HTA's authority to appoint a sports coordinator;

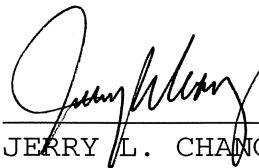


- (6) The provision that establishes that all interest and revenues or receipts derived by HTA from projects or project agreements shall be deposited into the Tourism Special Fund (TSF); and
- (7) The increase, to 5 percent from 3.5 percent, in TSF funds that may be used for administrative expenses.

HTA and the Hawaii Hotel & Lodging Association supported this bill. The Attorney General opposed this bill in part.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2974, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Respectfully submitted on  
behalf of the members of the  
Committee on Tourism & Culture,



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JERRY L. CHANG, Chair



