

STAND. COM. REP. NO.

3089

Honolulu, Hawaii

MAR 24 2006

RE: H.B. No. 2669
H.D. 1
S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Tourism, to which was referred H.B. No. 2669, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE CONVENTION CENTER ENTERPRISE SPECIAL FUND,"

begs leave to report as follows:

The purpose of this measure is to repeal the cap of \$31,000,000 of transient accommodations tax revenues to be deposited into the convention center enterprise special fund.

Your Committee received testimony in support of this measure from Hawaii Tourism Authority; Department of Business, Economic Development, and Tourism; Hawai'i Hotel & Lodging Association; and Outrigger Hotels. Testimony in opposition was received from the Hawaii Government Employees Association. Comments were received from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that the cap of \$31,000,000 on deposits from the transient accommodations tax into the convention center enterprise special fund serves the purpose of ensuring that the convention center remains fiscally responsible. Further, without a cap, the convention center could receive the full 17.3 percent of transient accommodations tax revenues without any deposits of the excess into the general fund of the excess over \$31,000,000.



Based upon testimony that raising the cap to \$36,000,000 would satisfy all parties, your Committee has amended this measure by changing the cap accordingly, effective July 1, 2006.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2669, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2669, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

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



DONNA MERCADO KIM, Chair



