

CONFERENCE COMMITTEE REP. NO. 18

Honolulu, Hawaii

April 26, 2007

RE: S.B. No. 866
S.D. 1
H.D. 1
C.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 866, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TOURISM,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to ensure that the Hawaii Tourism Authority (HTA) and Hawaii Visitors and Convention Bureau (HVCB) boards function independently from each other and that the relationship between the two boards remain at arm's length when the two entities transact tourism marketing contracts.

The measure accomplishes this purpose by prohibiting a person who has served as a member of the Board of Directors of the HVCB from sitting as a public, voting member of the Board of the HTA until at least two years have expired between the person's termination from service on the Board of the HVCB and the person's appointment to the Board of the HTA.

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Your Committee on Conference finds that the *Special Master's Report to the Hawaii Tourism Authority on Recommendations Regarding The Hawaii Visitors and Convention Bureau*, dated December 31, 2003, by the Candon Consulting Group, LLC, recommended that the independence of the respective boards of directors of the HTA and the HVCB be preserved. Individuals have served consecutively as directors of both the HTA board and the HVCB board and visa-versa. This situation invites questions about the arm's length nature of the relationship between these two boards and their respective organizations. If enough members of each board regularly alternate service from one to the other, the independence of each entity would diminish or disappear. Your Committee notes that the intent of this measure is already embodied in HTA's current policy.

Your Committee on Conference further finds that, because tourism marketing contracts are executed between the HTA and the HVCB through a process that is exempt from the State Procurement Code, it is necessary to establish safeguards such as the two-year board service moratorium to ensure propriety.


Your Committee on Conference has amended this measure by changing the effective date from July 1, 2025 to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 866, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 866, S.D. 1, H.D. 1, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



RYAN I. YAMANE, Chair




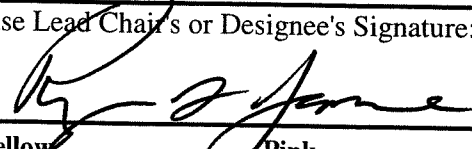
CLARENCE K. NISHIHARA, Chair



Hawaii State Legislature

CCR 18

Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 866, SD 1, HD 1					Date/Time: April 25, 2007						
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).											
<input type="checkbox"/> The Committee is reconsidering its previous decision.											
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.						
Senate Managers		A	WR	N	E	House Managers		A	WR	N	E
NISHIHARA, Clarence K., Chr.		/				YAMANE, Ryan I., Chr.		/			
KIM, Donna Mercado		/				MANAHAN, Joey		/			
TRIMBLE, Gordon					/	CHING, Corinne W.L.					/
TOTAL		2			1	TOTAL		2			1
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused				
Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted						House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					
Senate Lead Chair's or Designee's Signature: 						House Lead Chair's or Designee's Signature: 					
Distribution:		Original File with Conference Committee Report			Yellow House Clerk's Office		Pink Senate Clerk's Office		Goldenrod Drafting Agency		