

Honolulu, Hawaii

MAR 21 2007

RE: H.B. No. 575  
H.D. 1  
S.D. 1

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

Madam:

Your Committees on Tourism and Government Operations and Intergovernmental and Military Affairs, to which was referred H.B. No. 575, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO EMERGENCIES,"

beg leave to report as follows:

The purpose of this measure is to establish procedures for the Governor to declare a tourism emergency and to establish a Tourism Emergency Trust Fund.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; and Hawaii Tourism Authority (HTA). Comments were received from the Tax Foundation of Hawaii.

Your Committees find that a real threat exists to Hawaii's tourism industry. These threats are different in many ways from a civil defense emergency. World conflict, terrorism, natural disaster, or an outbreak of disease can pose a real and substantial detrimental economic impact on the overall financial well-being of Hawaii's tourism industry, thereby causing an adverse ripple effect across the State's entire economy.

Under this measure, the initial determination of whether a tourism emergency exists would be made by the Board of Directors of the Hawaii Tourism Authority. Upon making a determination that



an emergency exists, the board would then submit a request to the Governor to declare a tourism emergency.

The Tourism Emergency Trust Fund would be used exclusively to provide for the development and implementation of emergency measures to respond and mitigate to any adverse effects on the tourism industry resulting from world conflict, terrorism, natural disaster, or an outbreak of a disease that may result in a substantial interruption of commerce and adversely affect the welfare of the people of Hawaii. The fund would hold moneys derived from unused residual revenues after the required statutory percentage allocations into the Tourism Special Fund's subaccount for a safety and security budget are made.

The intent of this measure is to be proactive and prepared to protect Hawaii's vital economic engine--tourism. As such, this measure is a wise and prudent step toward meeting the challenges of any catastrophe that has the potential to devastate the State's tourist industry and derail the State's economy. However, it is not the intent of your Committees that this measure affect organized labor.

Your Committees have amended this measure by inserting an amended version of S.B. No. 679, S.D. 2, a substantially similar measure that:

- (1) Adds assistance to tourists during the emergency;
- (2) Adds that the tourism emergency response must not adversely affect organized labor;
- (3) Changes "statewide emergency" to "tourism emergency," on recommendation in testimony of the HTA to allow it to more easily respond to an emergency;
- (4) Clarifies that the HTA is required to develop and implement measures upon declaration of an emergency;
- (5) Changes the effective date to July 1, 2050; and
- (6) Makes technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Tourism and Government Operations and



Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 575, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 575, 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 Committees on Tourism and Government Operations and Intergovernmental and Military Affairs,


  
LORRAINE R. INOUE, Chair

  
CLARENCE K. NISHIHARA, Chair



The Senate  
Twenty-Fourth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Tourism and Government Operations**  
**TSG**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB575 HD1	TSG/IGM, WAM	3-15-07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
NISHIHARA, Clarence K. (C)	/			
KIM, Donna Mercado (VC)	/			
TSUTSUI, Shan S.	/			
TRIMBLE, Gordon	/			
<b>TOTAL</b>	<b>4</b>			
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency		

\*Only one measure per Record of Votes

