

CONFERENCE COMMITTEE REP. NO. 160

Honolulu, Hawaii

May 1, 2009

RE: H.B. No. 754
H.D. 1
S.D. 1
C.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 754, H.D. 1, S.D. 1, entitled:

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

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 bill is to make various improvements to the Hawaii Tourism Authority (HTA) and tourism laws by:

- (1) Requiring the private contractor that operates the Convention Center and its concessions and concession spaces to be subject to the Hawaii Public Procurement Code and provisions relating to concessions on public property;
- (2) Transferring functions relating to tourism research and statistics from the Department of Business, Economic Development, and Tourism, to HTA;

HB754 CD1 HCCR HMS 2009-4132



- (3) Removing the ex-officio members from the HTA Board and placing them in an advisory group to HTA;
- (4) Renaming the "Executive Director" of HTA to the "President and Chief Executive Officer" and clarifying the position's duties;
- (5) Clarifying the laws relating to measures of effectiveness of the tourism marketing plan;
- (6) Expanding the scope of a "tourism emergency" to include a national or global economic crisis and requiring the Governor's approval for HTA to take action in response to a declaration of a tourism emergency;
- (7) Earmarking an unspecified percentage of funds allocated to the Tourism Special Fund (TSF) from the Transient Accommodations Tax (TAT) to be used for tourism product development and cultural programs; and
- (8) Removing the repeal date for provisions that allow HTA to retain private attorneys.

Your Committee on Conference finds that the difficult times currently being experienced by the State's major industry, tourism, presents an opportune time to implement some administrative changes to streamline the operations of HTA.

Changing the title of the Executive Director of HTA to President and Chief Executive Officer, while it may appear cosmetic, clarifies the duties and responsibilities of the position while instilling a more business-like atmosphere in the HTA boardroom. Eliminating the sunset provision on the ability of HTA to hire its own private attorneys should also result in streamlined operations.

With regard to tourism emergencies, recent national and global economic crises have led to the cancellation of conventions, corporate retreats, business travel, and family vacations to Hawaii. These cancellations have been reflected in an overall drop in statewide visitor arrivals that is predicted to decline further. The provisions in this measure will enable HTA to react in a timely manner to address a national or global economic crisis and will strengthen the State's efforts to eliminate or mitigate the effects of such a crisis.



Your Committee on Conference notes that timely and accurate tourism-related research, including compilation and analysis of data, is important for the development and implementation of an effective visitor industry program. Joining tourism research and statistical data with the market intelligence research of various major market areas under one agency will allow the State to efficiently address the volatility of the tourism market.

The provisions in this measure with regard to measures of effectiveness of HTA's marketing plan will help to address concerns raised in the Auditor's report released on January 14, 2009, regarding HTA and its long-term strategy for addressing tourism in Hawaii.

Your Committee on Conference has amended this bill by:

- (1) Clarifying the provisions relating to the Hawaii Public Procurement Code that apply to construction contracts for the maintenance of the Hawaii Convention Center;
- (2) Removing provisions that would have allocated funding for tourism product development and cultural programs;
- (3) Inserting provisions requiring 0.25 percent of remaining revenues from the TAT after distribution to other designated receivers to be deposited into the TSF for fiscal year 2010-2011, provided that S.B. No. 1111, S.D. 1, H.D. 1, C.D. 1, Regular Session of 2009, is enacted;
- (4) Changing the effective date to July 1, 2009; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 H.B. No. 754, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 754, H.D. 1, S.D. 1, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE


CLARENCE K. NISHIHARA, Chair


DONNA MERCADO KIM, Co-Chair


JOEY MANAHAN, Co-Chair


JAMES KUNANE TOKIOKA, Co-Chair



Hawaii State Legislature

CCR 160

Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: HB 754, HD 1, SD 1	Date/Time: 5-1-09
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

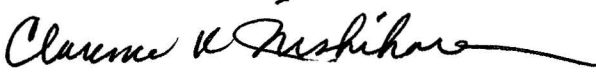

The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure

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.	✓				MANAHAN, Joey, Co-Chr.	✓			
KIM, Donna Mercado, Co-Chr.	✓				TOKIOKA, James Kunane, Co-Chr.	✓			
GALUTERIA, Brickwood	✓				EVANS, Cindy	✓			
					WARD, Gene				✓
TOTAL	3				TOTAL	3		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
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature: 
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