

STAND. COM. REP. NO.

1009

Honolulu, Hawaii

MAR 27 2009

RE: H.B. No. 1204
H.D. 2
S.D. 1

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

Madam:

Your Committee on Tourism, to which was referred H.B.
No. 1204, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TOURISM,"

begs leave to report as follows:

The purpose of this measure is to clarify the disposition and
distribution of revenues of the transient accommodations tax by:

- (1) Deleting the requirement to deposit excess transient
accommodations tax revenues into the general fund;
- (2) Depositing the remaining revenues of an unspecified
amount, after deposits and distributions under current
law, into the tourism special fund in fiscal years 2009-
2010 and 2010-2011, with any remaining revenues to be
deposited into the general fund, and entirely into the
general fund beginning fiscal year 2011-2012 and each
fiscal year thereafter.

Your Committee received testimony in support of this measure
from the Hawai'i Tourism Authority; Grand Hyatt Kauai Resort & Spa;
Maui Hotel & Lodging Association; The Chamber of Commerce of
Hawaii; Hawai'i Hotel & Lodging Association; Retail Merchants of
Hawaii; Outrigger Hotels; Hilton Hawaii; and Destination Resorts
Hawaii. Testimony in opposition was received from the Department
of Taxation; Department of Budget and Finance; and one individual.
Comments were received from the State Tourism Liaison and Tax

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Foundation of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that an increase in revenue for the tourism special fund will better enable the Hawaii Tourism Authority to carry out its basic function to increase tourism to the State. Ultimately, the additional distribution of funds will enable the visitor industry to remain viable through the investment of much needed marketing and funding of programs to stimulate travel to Hawaii.

Your Committee has amended this measure to change the effective date to July 1, 2050, to continue the discussions on this matter.

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. 1204, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1204, H.D. 2, 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,



CLARENCE K. NISHIHARA, Chair



