

Honolulu, Hawaii  
Feb 9, 2010

RE: H.B. No. 2417  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Sir:

Your Committee on Tourism, Culture, & International Affairs,  
to which was referred H.B. No. 2417 entitled:

"A BILL FOR AN ACT RELATING TO ACTIVITY DESKS,"

begs leave to report as follows:

The purpose of this bill is to protect consumers from deceptive practices of "activity desks" (AD), i.e., entities that act as intermediaries between consumers and the "activity provider" (Provider), the entity that will actually provide the specialized air, land, or sea tour excursions and activities to the consumer by:

- (1) Establishing record keeping requirements for ADS for their client trust accounts (CTAs);
- (2) Requiring the AD to place its registration numbers on any items (such as decals and stickers) that it places on the materials of a Provider;
- (3) Prohibiting ADs from booking or placing a reservation for activities with a Provider until full payment is received, unless the reservation provides for direct payment to the Provider at the time of the activity;
- (4) Specifying that the Provider is the trustee for sums paid to an AD for activities furnished by a Provider and



the sums held in trust are for the benefit of the person making the payment and the Provider; and

- (5) With respect to the registration of an AD, eliminating the option of submitting a bond or letter of credit in lieu of providing the account number and name of the financial institution where the trust account is held.

The Activities & Attractions Association of Hawaii, Safari Aviation, Inc., and several concerned individuals supported this bill. The Department of Commerce and Consumer Affairs' Regulated Industries Complaints Office and a concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Clarifying that the AD is the trustee for sums paid into the CTA;
- (2) Reinstating the provisions that permit the option of submitting a bond or letter of credit to register an AD and increasing the maximum amount of the bond or letter of credit to \$250,000;
- (3) Changing the effective date to January 1, 2112, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2417, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2417, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.



Respectfully submitted on  
behalf of the members of the  
Committee on Tourism, Culture,  
& International Affairs,

  
JOEY MANAHAN, Chair



State of Hawaii  
House of Representatives  
The Twenty-fifth Legislature

HSCR 215-10

Record of Votes of the Committee on Tourism, Culture, & International Affairs

Bill/Resolution No.: <b>HB 2417</b>	Committee Referral: <b>TCI, CPC/SUD</b>	Date: <b>2/1/10</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <b>I</b> <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
TCI Members	Ayes	Ayes (WR)	Nays	Excused
1. MANAHAN, Joey (C)	✓			
2. TOKIOKA, James Kunane (VC)	✓			
3. BERG, Lyla B.				✓
4. CHOY, Isaac W.	✓			
5. EVANS, Cindy	✓			
6. McKELVEY, Angus L.K.				✓
7. TAKAI, K. Mark				✓
8. TSUJI, Clift	✓			
9. WAKAI, Glenn				✓
10. WOOLEY, Jessica				✓
11. MARUMOTO, Barbara C.	✓			
<b>TOTAL (11)</b>	<b>6</b>			<b>5</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ committee action(s) _____ did not support recommendation.				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				