

Honolulu, Hawaii

Feb 26, 2010

RE: H.B. No. 2417
H.D. 2

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

Sir:

Your Committees on Consumer Protection & Commerce and
Judiciary, to which was referred H.B. No. 2417, H.D. 1, entitled:

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

beg leave to report as follows:

The purpose of this bill is to protect consumers and
providers of activities and attractions that are sold by activity
desks by:

- (1) Requiring an activity desk to maintain and make
available for inspection, books, records, and other
documents required by law;
- (2) Providing that the activity desk registration number
must be included on advertising and promotional
material;
- (3) Prohibiting making a reservation with an activity
provider unless full payment for the activity is
received by the activity desk or is to be directly paid
to the provider at the time of the activity;
- (4) Requiring an activity desk to hold sums paid to an
activity desk for activities furnished by an activity
provider, in trust for the person making the payment and
the activity provider; and



- (5) Increasing the bond or letter of credit requirement for activity desks from \$100,000 to \$250,000.

The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs (DCCA); Activities & Attractions Association of Hawaii; Maui Classic Charters, Inc.; Aloha Nui Loa Tours, Inc.; Valley Isle Excursions, Inc.; Sunset Studio Maui; Paradise Cruise, Ltd.; Fair Wind Cruises; and Warren & Annabelle's Magic Show testified in support of this bill. The Regulated Industries Complaints Office of DCCA offered comments.

Your Committees have amended this bill by prohibiting an activity desk from failing to obtain full payment for activities later than three business days after the time activity reservations are booked or placed with the activity provider, unless direct payment to the provider is arranged, rather than prohibiting making a reservation with an activity provider unless full payment for the activity is received by the activity desk or is to be directly paid to the provider at the time of the activity.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2417, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2417, H.D. 2.

Respectfully submitted on behalf of the members of the Committees on Consumer Protection & Commerce and Judiciary,



JON RIKI KARAMATSU, Chair



ROBERT N. HERKES, Chair



