

STAND. COM. REP. NO.

2734

Honolulu, Hawaii

MAR 17 2010

RE: H.B. No. 2417
H.D. 2
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committee on Tourism, to which was referred H.B.
No. 2417, H.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to clarify requirements for
activity providers and activity desks, by:

- (1) Establishing recordkeeping requirements for client trust
accounts held by activity desks;
- (2) Requiring registration numbers on advertising and
promotional material and prohibiting an activity desk
from failing to obtain full payment for activities later
than three business days after the reservations are
booked or placed, unless direct payment is arranged;
- (3) Requiring an activity desk to hold sums paid to an
activity desk in trust for the person making the payment
and the activity provider; and
- (4) Increasing the maximum bond or letter of credit
requirement for activity desks from \$100,000 to
\$250,000.

Testimony in support of this measure was submitted by the
Department of Commerce and Consumer Affairs, Activities &

2010-1559 SSCR SMA.doc



Attractions Association of Hawaii, Fair Wind Cruises, and Valley Isle Excursions, Inc.

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

Your Committee finds that this measure will assist the Regulated Industries Complaints Office in conducting a thorough investigation of possible violations in an expeditious manner and will provide guidance to registrants as to how long records must be maintained.

Your Committee has replaced the contents of this measure with one previously heard and approved by your Committee, S.B. No. 2607, S.D. 1. As amended, this measure:

- (1) Deletes the authorization for the Director of Commerce and Consumer Affairs to, by rule, allow for the use of other types of funds or accounts provided that there is sufficient consumer protection;
- (2) Deletes the increase for the maximum bond or letter of credit requirement for activity desks from \$100,000 to \$250,000;
- (3) Changes the effective date from January 1, 2112, to July 1, 2010; and
- (4) Makes technical amendments for the purposes of clarity and consistency.

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. 2417, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2417, H.D. 2, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.



Respectfully submitted on
behalf of the members of the
Committee on Tourism,

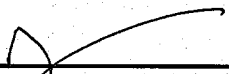
Clarence K. Nishihara

CLARENCE K. NISHIHARA, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Tourism
TSM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2417, HD2	TSM, CPN	3/11/10		
<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)	✓			
GALUTERIA, Brickwood (VC)	✓			
KIDANI, Michelle N.				✓
TSUTSUI, Shan S.	✓			
SLOM, Sam	✓			
TOTAL	4			1
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	Goldenrod Committee File Copy	

*Only one measure per Record of Votes