

STAND. COM. REP. NO.

2746

Honolulu, Hawaii

MAR 17 2010

RE: H.B. No. 2598  
H.D. 1  
S.D. 1

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

Madam:

Your Committees on Tourism and Transportation, International and Intergovernmental Affairs, to which was referred H.B. No. 2598, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS TAX,"

beg leave to report as follows:

The purpose of this measure is to limit, for the period from July 1, 2010, through June 30, 2015, the amount of transient accommodations tax revenues distributed to the counties to 44.8 per cent or \$94,355,000 of the transient accommodations tax revenues collected in a fiscal year, whichever is less.

Testimony in support of this measure was submitted by the Department of Taxation; Hawaii Council of Mayors; Mayors of the four counties; Hawaii State Association of Counties; two members of the Maui County Council, five members of the Kauai County Council; County of Kauai Office of Economic Development; Kauai Economic Development Board; Maui Chamber of Commerce; West Kauai Business and Professional Association; Hawaii Government Employees Association AFSCME Local 152; Hawaii Hotel and Lodging Association; Maui Hotel and Lodging Association; Poipu Beach Resort Association; Outrigger Enterprises Group; Grand Hyatt Kauai Resort and Spa; Waimea Plantation Cottages; The St. Regis Princeville Resort; Recycled Bikes and Boards, WMTA; HSTA-R Hawaii District; and one private citizen. One private citizen submitted testimony in opposition. The Hawaii Tourism Authority and the Tax Foundation of Hawaii submitted comments.



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

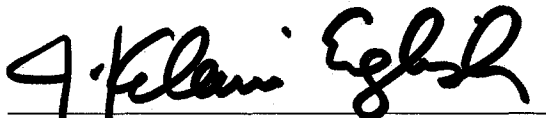
Your Committees find that the current transient accommodations tax distribution formula provides an equitable method of sharing state revenues with the counties, as many of the burdens imposed by tourism fall on the counties. This measure would preserve funding at the current level for five years, and assist the counties in maintaining infrastructure and services that support Hawaii's tourism industry.

Your Committees have amended this measure by:

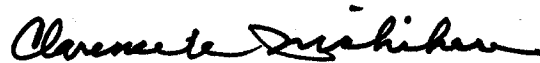
- (1) Adding language to require that effective July 1, 2010, the transient accommodations tax shall be assessed and collected at a minimum rate of \$8 per day or at the rate of 7.25 per cent, whichever is higher; and
- (2) Making a technical, nonsubstantive amendment for the purpose of consistency.

As affirmed by the records of votes of the members of your Committees on Tourism and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2598, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2598, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Tourism and Transportation, International and Intergovernmental Affairs,



J. KALANI ENGLISH, Chair

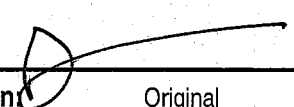


CLARENCE K. NISHIHARA, Chair



The Senate  
 Twenty-Fifth Legislature  
 State of Hawaii


**Record of Votes**  
**Committee on Tourism**  
**TSM**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2598, HD1	TSM/TIA, WAM	3/15/10		
<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				✓
<b>TOTAL</b>	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution</b>	Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy

\*Only one measure per Record of Votes

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**Record of Votes**  
**Committee on Transportation, International and Intergovernmental Affairs**  
**TIA**

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HB 2598, HD1	TSM/TIA, WAM	3-15-10		
<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
ENGLISH, J. Kalani (C)	✓			
GABBARD, Mike (VC)	✓			
ESPERO, Will	✓			
NISHIHARA, Clarence K.	✓			
SLOM, Sam				✓
<b>TOTAL</b>	4	-	-	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <span style="margin-left: 200px;"><input type="checkbox"/> Not Adopted</span>				
Chair's, or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

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