

Honolulu, Hawaii

FEB 20 2009

RE: S.B. No. 1227
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 S.B.
No. 1227 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII TOURISM AUTHORITY,"

begs leave to report as follows:

The purpose of this measure is to establish a Department of
Tourism.

Specifically, this measure:

- (1) Abolishes the Hawaii Tourism Authority;
- (2) Transfers the convention center enterprise special fund, the tourism emergency trust fund, and the tourism special fund from the Hawaii Tourism Authority to the newly established Department of Tourism; and
- (3) Renames the Department of Business, Economic Development, and Tourism to the Department of Business and Economic Development.

Your Committee received testimony in support of this measure from the Mayor of the City and County of Honolulu. Testimony in opposition was received from the Hawai'i Tourism Authority; Outrigger Hotels; and Hawai'i Hotel & Lodging Association. Comments were received from the Tourism Liaison. Written testimony presented to the Committee may be reviewed on the Legislature's website.



Your Committee finds that this measure provides the proposed Department of Tourism with the general charge, oversight, and care of tourism and related activities of the State. The Department would support, maintain, and expand the State's domestic and international travel market, endeavoring to generate increased expenditure, tax revenue, and employment derived from the tourism industry.

Your Committee finds that tourism is one of the primary economic engines of the State. As such, tourism is deserving of a dedicated executive department. Testimony indicates that the Conference of Mayors has lobbied the United States Congress to establish a cabinet-level Secretary of Tourism. Tourism is a leading industry in cities and states across the nation, and the country's mayors agree it merits the prominence of cabinet status.

Your Committee has amended this measure by:

- (1) Deleting section 9 which ceased all contractual obligations entered into by the Hawaii Tourism Authority;
- (2) Transferring contracts held by the Hawaii Tourism Authority to the Department of Tourism;
- (3) Establishing an interagency working group, to be convened by the Governor, to develop comprehensive plans to aid in the transfer of rights, powers, functions, duties, and resources from the Hawaii Tourism Authority to the Department of Tourism;
- (4) Providing that the interagency working group be comprised of three members appointed by the President of the Senate, three members appointed by the Speaker of the House of Representatives, three members appointed by the Governor, the Attorney General, and the Executive Director of the Hawaii Tourism Authority;
- (5) Providing that the working group shall cease to exist on June 30, 2012;
- (6) Retaining the effective date of July 1, 2009 to allow the interagency working group to start the transition; provided that the Department of Tourism is established



as a fully functioning state department by January 1, 2011; and

- (7) Making technical, nonsubstantive amendments for the purposes of clarity and style.

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

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 S.B. No. 1227, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1227, 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



