

Honolulu, Hawaii

April 1, 2010

RE: S.B. No. 2607  
S.D. 2  
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 Committees on Consumer Protection & Commerce and  
Judiciary, to which was referred S.B. No. 2607, S.D. 2, 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, among other things:

- (1) Requiring an activity desk to maintain and make  
available for inspection, books and records, including  
copies of bank statements and wire or electronic  
transaction documents relating to client trust accounts  
for at least two years;
- (2) Providing that the activity desk registration number  
must be included on advertising and promotional  
material;
- (3) Requiring an activity desk to obtain full payment for  
activities prior to or at the time reservations are  
booked or placed with the activity provider or within  
three business days thereafter, with certain exceptions;




- (4) Providing that the trust account containing consumer deposits shall also be for the benefit of the activity provider, and the activity desk shall be the trustee of the trust account; and
- (5) Securing consumer deposits held by an activities desk who has not established a trust account, by increasing the maximum amount of the bond or irrevocable letter of credit required to be posted or obtained by the activities desk from \$100,000 to \$250,000, and maintaining the minimum amount at \$50,000.

The Activities & Attractions Association of Hawaii, Aloha Nui Loa Tours, Inc., dba Hike Maui, and Maui Classic Charters, Inc. testified in support of this bill. The Department of Commerce and Consumer Affairs' (DCCA) Regulated Industries Complaints Office and DCCA's Professional and Vocational Licensing Division provided comments.

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 S.B. No. 2607, S.D. 2, H.D. 1, and recommend that it pass Third Reading.

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

  
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JON RIKI KARAMATSU, Chair

  
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ROBERT N. HERKES, Chair





