

Honolulu, Hawaii

MAR 23 2012

RE: H.B. No. 2314
H.D. 1
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Tourism, to which was referred H.B. No. 2314, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to provide for the allocation of transient accommodations tax revenues to the convention center enterprise special fund on a fiscal year basis.

Your Committee received testimony in support of this measure from the Department of Taxation and Hawaii Tourism Authority. Your Committee received comments on this measure from the Department of Budget and Finance and Tax Foundation of Hawaii.

Your Committee finds that the amount of the transient accommodations tax revenue allocated for the convention center enterprise special fund is limited to \$33,000,000 per calendar year. A problem arises as a result of the limits on the deposits into the special fund because the limit is applied on a calendar year basis, but expenditures from the fund are made on a fiscal year basis. In some years, the \$33,000,000 limit is achieved in the third month of the fiscal year, October, and no further revenues are deposited into the fund until the new calendar year. This results in a shortfall in the fund's ability to pay the debt service for the convention center.



This measure will address the problem by providing for the receipt of transient accommodations tax revenues by the convention center enterprise special fund in each month during 2012 and the early months of 2013.

Your Committee has amended this measure by authorizing unexpended and unencumbered monies determined by the Hawaii Tourism Authority to be in excess of any unencumbered reserve remaining in the convention center enterprise special fund at the close of fiscal year 2011-2012 to be expended by the Authority for repair and maintenance projects of the Hawaii Convention Center.

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. 2314, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2314, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

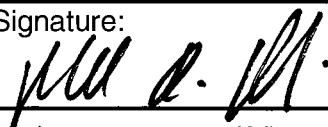
Respectfully submitted on
behalf of the members of the
Committee on Tourism,


DONNA MERCADO KIM, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Tourism
TSM

Bill / Resolution No.:* HB 2314 HD1	Committee Referral: TSM, WAM	Date: 3/22/12		
<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
KIM, Donna Mercado (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
GALUTERIA, Brickwood	✓			
KAHELE, Gilbert	✓			
SLOM, Sam	✓			
TOTAL	5			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; font-size: 2em; font-family: cursive;">  </div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes