

STAND. COM. REP. NO.

2044

Honolulu, Hawaii

FEB 07 2012

RE: S.B. No. 2114

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 S.B. No. 2114 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 make the annual \$33,000,000 limit on the allocation of transient accommodations tax revenues to the convention center enterprise special fund apply on a fiscal year, rather than a calendar year, basis.

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

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 short-fall 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 in each month during 2012 and the early months of 2013.

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. 2114 and recommends that it pass Second Reading 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.:* SB2114	Committee Referral: TSM, WAM	Date: 2-2-12 2-2-12
--	--	--

The committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 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:
 Adopted
 Not Adopted

Chair's or Designee's Signature:


Distribution:
 Original Yellow Pink Goldenrod
 File with Committee Report Clerk's Office Drafting Agency Committee File Copy

*Only one measure per Record of Votes