

Honolulu, Hawaii

FEB 16 2012

RE: S.B. No. 490

S.D. 2

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. 490, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase the allocation of the transient accommodations tax revenue for the Hawaii Tourism Authority from \$69,000,000 to \$71,000,000 until June 30, 2015; and
- (2) Require \$2,000,000 to be expended for development and implementation of initiatives to take advantage of expanded visa programs and increased travel opportunities for international visitors to Hawaii.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority, Airlines Committee of Hawaii, Kohala Coast Resort Association, Outrigger Hotels Hawaii, Starwood Vacation Ownership, and ILWU Local 142. Your Committee received comments on this measure from the Department of Budget and Finance and Tax Foundation of Hawaii.

Your Committee finds that in the first quarter of this year, air seats to Hawaii are expected to rise 3.8 percent, fueled in part by capacity increases from the Japan, China, and South Korea markets. Coupled with the recent federal executive order to expand visa and travel initiatives, this offers an unprecedented

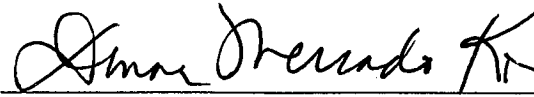


opportunity for Hawaii's tourism industry. Your Committee is in strong support of this measure to provide the Hawaii Tourism Authority with funding to take advantage of the expanded options for tourism growth.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

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. 490, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 490, S.D. 2, and be referred to the Committee on Ways and Means.

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

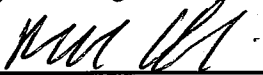


DONNA MERCADO KIM, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Tourism
TSM

Bill / Resolution No.:*	Committee Referral:	Date:		
CB 490, SD 1	TSM, WAM	2-14-12		
<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:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes