

STAND. COM. REP. NO.

1469

Honolulu, Hawaii

April 5, 2013

RE: S.B. No. 1194  
S.D. 2  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1194, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to adjust Transient Accommodations Tax rates and the disposition of Transient Accommodations Tax revenues by:

- (1) Repealing the additional Transient Accommodations Tax imposed by Act 61, Session Laws of Hawaii 2009;
- (2) Repealing the daily Transient Accommodations Tax on complimentary or gratuitous accommodations; and
- (3) Making permanent the provisions providing for a cap on the Transient Accommodations Tax distribution to the Tourism Special Fund and the counties.

For purposes of holding a public hearing on this bill, your Committee circulated a proposed S.B. No. 1194, S.D. 2, H.D. 1 (Proposed Draft) and notified the public that your Committee would be accepting testimony on the Proposed Draft, which:

SB1194 HD1 HSCR FIN HMS 2013-3259



- (1) Deletes the additional Transient Accommodations Tax rates for the periods beginning on July 1, 2009, to June 30, 2010, and from July 1, 2010, and thereafter; and
- (2) Restores the distribution of collected tax revenues, including distribution caps, to the Tourism Special Fund and counties to existing rates.

The Hawaii Tourism Authority, Hawaii Lodging & Tourism Association, Grand Hyatt, Hilton Worldwide, Maui Hotel & Lodging Association, Hyatt Regency Maui Resort and Spa, Pacific Beach Hotel, Four Seasons Resort Hualalai at Historic Kaupulehu, Four Seasons Resort Maui, Ma'alaea Surf Resort, The New Otani Kaimana Beach Hotel, Kona-Kohala Chamber of Commerce, Maui Chamber of Commerce, Kauai Chamber of Commerce, Best Western Pioneer Inn, Marriott Hawaii, Outrigger Hotels Hawaii, Westin Maui Resort & Spa, Waikiki Improvement Association, VIP Foodservice, Kahana Falls Resort, and a few concerned individuals supported this measure. The Department of Budget and Finance, Office of the Mayor of the City and County of Honolulu, Office of the Mayor of the County of Hawaii, Office of the Mayor of the County of Maui, Department of Finance of the County of Kauai, Hawaii Council of Mayors, a member of the City Council of Honolulu, a member of the Hawaii County Council, a member of the Maui County Council, seven members of the Kauai County council, and a concerned individual opposed this bill. The Department of Taxation, Tax Foundation of Hawaii, The Chamber of Commerce of Hawaii, Kohala Coast Resort Association, ILWU Local 142, United Public Workers AFSCME Local 646 AFL-CIO, and Starwood Hotels and Resorts provided comments.

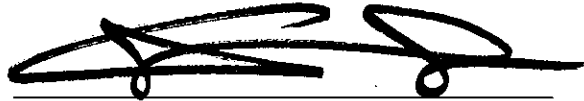
Your Committee has amended this measure by adopting the Proposed Draft and making the following additional amendments:

- (1) Specifying additional Transient Accommodations Tax rates for the following periods:
  - (A) July 1, 2009, to June 30, 2010;
  - (B) July 1, 2010, to June 30, 2013; and
  - (C) July 1, 2013, and thereafter; and
- (2) Providing that no more than \$71,000,000 per fiscal year will be deposited into the Tourism Special Fund for any period beginning on July 1, 2012, and thereafter, rather than from July 1, 2012, to June 30, 2015.



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1194, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1194, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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



SYLVIA LUKE, Chair



State of Hawaii  
House of Representatives  
The Twenty-seventh Legislature

Record of Votes of the Committee on Finance

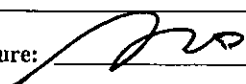
Bill/Resolution No.: SB1194 SD2	Committee Referral: FIN	Date: 04/03/13
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The committee is reconsidering its previous decision on the measure.

The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  
 Pass short form bill with HD to recommit for future public hearing (recommit)

FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)	/			
2. NISHIMOTO, Scott Y. (VC)	/			
3. JOHANSON, Aaron Ling (VC)	/			
4. CULLEN, Ty J.K.	/			
5. HASHEM, Mark J.	/			
6. ING, Kaniela	/			
7. JORDAN, Jo	/			
8. KOBAYASHI, Bertrand	/			
9. LOWEN, Nicole E.	/			
10. MORIKAWA, Dee	/			
11. ONISHI, Richard H.K.	/			
12. TAKAYAMA, Gregg	/			
13. TOKIOKA, James Kunane	/			
14. WOODSON, Justin H.	/			
15. YAMASHITA, Kyle T.	/			
16. FUKUMOTO, Beth	/			
17. WARD, Gene	/			
<b>TOTAL (17)</b>	<b>17</b>			

The recommendation is:  Adopted  Not Adopted  
If joint referral, \_\_\_\_\_ did not support recommendation.  
committee acronym(s)

Vice Chair's or designee's signature: 

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